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Indiana State Federation of Labor



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INDIANA LABOR

ANNUAL PUBLICATION OF THE
INDIANA STATE FEDERATION OF LABOR



1940

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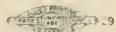


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FOREWORD

+++ The publishers of *Indiana Labor* have put forth earnest efforts in the issuance of each successive edition to truly reflect the purposes which prompted them to print these pages. *Indiana Labor* is dedicated to that great army of men and women known as Indiana's working class. It is published so that labor's position on social, economic and political questions and its purpose to foster a just and peaceable industrial relationship may be stated by labor's chosen representatives.

+++ This book is the product of Union Labor in its entirety. We are in receipt of numerous compliments on the contents and general appearance and high class workmanship of *Indiana Labor*, which we in turn are pleased to convey to the members of the various printing trades employed by our printers, and to our contributors, through whose patronage we are enabled to present *Indiana Labor* as a quality publication.

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A WORD OF CAUTION

Indiana Labor issues a warning to advertisers to beware of unscrupulous solicitors seeking patronage for unauthorized publications. Our attention has been called to a number of cases of such misrepresentation. Authorized representatives of *Indiana Labor* carry credentials designating the period for which they may solicit, bearing the signature of Carl H. Mullen, president. If in doubt, call this office. Remember, *Indiana Labor* is the only publication bearing advertisements authorized by the Indiana State Federation of Labor.

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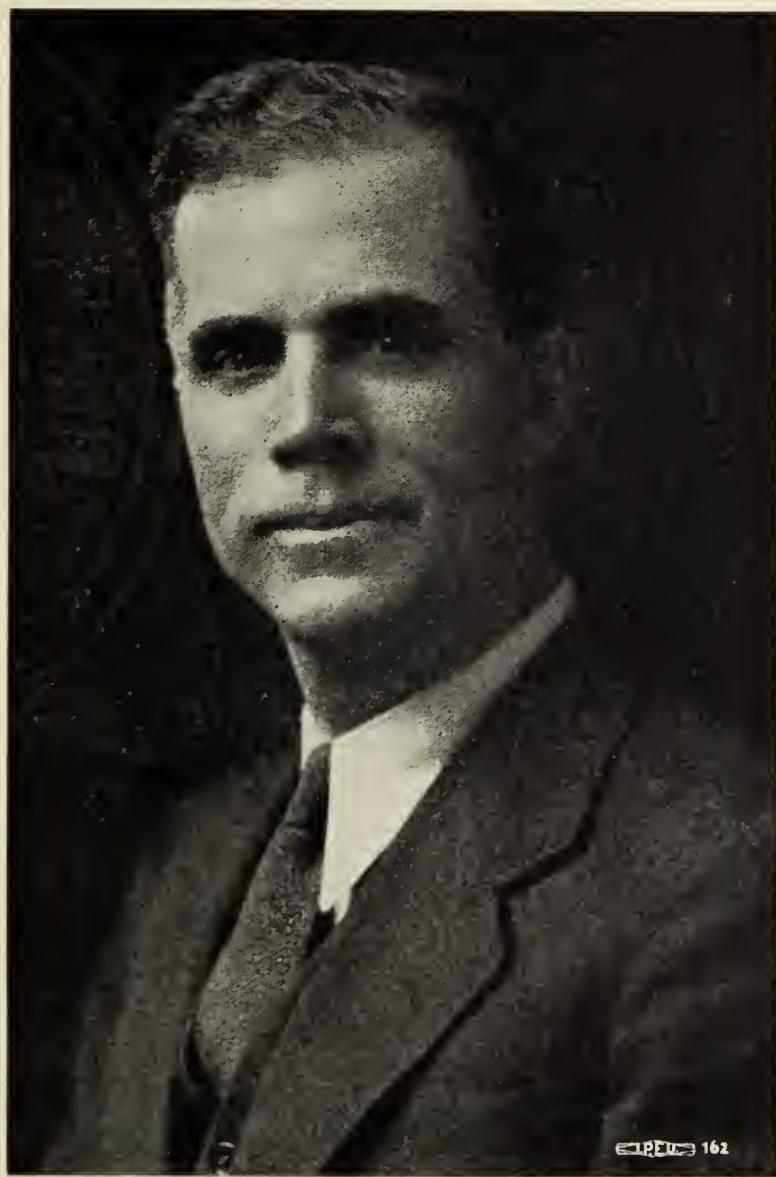
William Green

PRESIDENT AMERICAN FEDERATION OF LABOR

INDIANA STATE FEDERATION OF LABOR

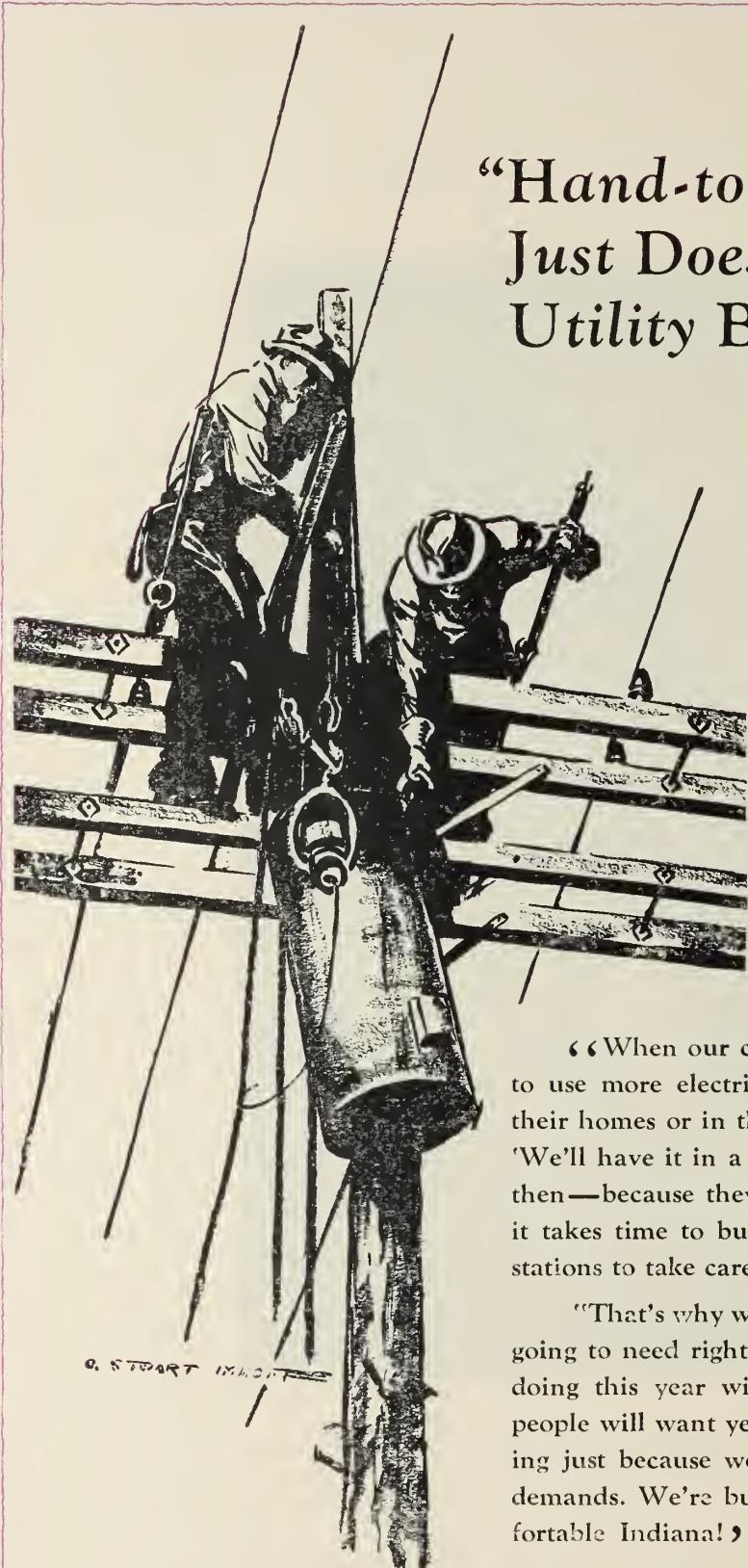
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National Defense

By WILLIAM GREEN, *President, American Federation of Labor*

THE part which the workers of America have played in the history of our Nation in times of peace and war constitutes a record of which we are justly proud. Upon the shoulders of the workers equally with those in the ranks of our Nation's defenders rests responsibility for the perpetuation of our Nation and our national institutions. As a group the workers of America will maintain their traditional patriotism at all times and under all circumstances.

These are critical days not only in the history of our own Nation, but of the whole world. One misguided step might mean the fall of civilization itself. With this in mind, the workers of America feel that upon them rests a major responsibility since they, with their dependents, constitute by far the largest group of our society. We do not shirk our responsibilities. We do contend, however, that we should be consulted in the formulation of national policy which will vitally affect us.

There is likewise a part for each of us to play in our national defense program. We must be constantly on guard against those who—boring from within—seek to undermine our American institutions and traditions. These enemies of our Nation and of our movement are sometimes hard to detect. Their methods are subtle and they appear at the most unexpected times. Each of us should exercise constant vigilance against those forces within our ranks who seek to promote un-American philosophies and doctrines. This is our duty and our responsibility as citizens and as members of our great American Trade Union movement.

While extending every measure of cooperation to our government, the workers of America should be alert to detect efforts to break down standards which have been builded over years of earnest effort and often personal sacrifice on the part of those who founded our movement. Experience during the last general World War showed us that standards lowered, or in some instances temporarily abandoned under patriotic stress, were difficult and at times well nigh impossible to restore when the emergencies of the time were ended. It was the workers who bore the brunt of the war in both man power and economically.

In the years which have elapsed since 1918, the manifold so-called labor-saving devices which have come into being by the use of which a single machine can produce more than was formerly done by a score of workers, render it wholly unnecessary for hours of work to be lengthened or conditions otherwise to be lowered in order to meet the demands for increased output from our factories. Despite all efforts to find work opportunities for the millions of idle employables in our country, we still have an army of over ten million willing and anxious to work. It is obvious, therefore, that no labor shortage exists and therefore no logical reason can be offered for lengthening hours of those now employed to meet emergency orders.

The defense program of our Nation must not be impeded. No true American would entertain any proposal for unwarranted interruption to our production schedules necessary to meet the emergency which has been declared to exist for our national defense. This is a time for calm discrimination, however, between patriotic necessity and unjustified attacks on our American standard of living.

The American Federation of Labor, through its officers, stands ready to assist in every way possible now as heretofore. Our counsel is at the service of our government. We believe that we have a valuable contribution to make and that we should be consulted when policies are being formulated. There should be labor representation on all advisory boards and administrative agencies. Workers and their dependents comprise approximately 75 per cent. of our population. It is from the ranks of the workers that the major part of our military force will be recruited in times of national emergency. The Nation must look to the workers for not only the materials necessary to sustain our Nation, but also to produce all that is required for successful defense of our country.

This crucial period in our international and national life will also be marked with general elections. It is our duty to see to it that those who are elected to office in our national, state and city governments must be those who can be relied upon to protect the interests and welfare of the workers of America.

Saga of Sam Committed to Films

June Will See First Shooting of Life of Samuel Gompers of the A. F. of L.

BIOGRAPHICAL films, such as "The Life of Louis Pasteur," "Emile Zola," "Dr. Erlich's Magic Bullet," have opened to the eyes of millions a more fascinating picture of the lives of great men than could be conveyed in any other way. Now to this speaking galaxy of great characters is to be added another. This will be one of the most difficult characterizations ever attempted by an actor. Many now living knew this man well, admired, loved or hated him. His character made a lasting impress on the American scene. His conversations are remembered, studied, interpreted. Even his physical appearance and his gestures are lastingly graved on many memories. When this moving picture is released, there will be thousands of eager watchers who can weigh its worth in the light of their own impressions of the man. They will say:

"This is (or is not) the real Samuel Gompers!"

"The Life of Samuel Gompers" will be the first venture of a new producing company, American Pictures Corporation. Plans are to turn out four productions during the coming year. Two of Gompers' own associates, veterans of the labor movement, are participating—Matthew Woll, vice-president of the American Federation of Labor, and I. M. Ornburn, head of the Federation's Union Label Trades Department. Mr. Ornburn will serve as treasurer of the film company. The script is being prepared by Geza Herczeg, 1938 Academy Award winner for his "Emile Zola." Luther Adler is being tested for the title role.

First showings of the film will be exclusively to Labor Union members and their families, a potential audience of 30,000,000. Although it has not definitely been determined whether the picture will be produced in Hollywood or at the studio of the Eastern Service on Long Island, production is expected to start about June 15. Sydney Weill, a former film executive, and now owner of a large theatrical lithographing con-



cern in New York, is vice-president and general manager of American Pictures; Julius W. Levine is president.

Such a wealth of movement and color unrolls around the figure of Gompers, the writer of the screen play's most difficult task will be in keeping down to a standard length picture. For the actors in it, even a minor role will be a "fat part" as the giants of American life, of labor, politics and industry, are pictured in their contacts with "Old Sam." Theodore Roosevelt, William Jennings Bryan, Woodrow Wilson, Warren G. Harding, General Pershing, Eugene Debs, John D. Rockefeller, Charles M. Schwab,

William Howard Taft, Andrew Furuseth, John Mitchell, Bob LaFollette, Sr., men who helped shape the destiny of America for four decades, felt the influence of the erstwhile cigar maker.

Gompers Loved the Stage

Gompers himself is a dramatic character. In his handling of men and events he is always showing touches of the dramatic ability that might have given him a career on the stage if he were not also endowed with the ability to *be* and *do* rather than to depict. From his earliest days he loved the theater and found his chief recreation in watching plays or variety shows. As he writes of his childhood days in London:

"As I watched the actors, I lived with them the scenes of the play. My emotions are naturally strong, and fortunately no one ever attempted to teach me self-repression. On the contrary, my life has practically forced me to develop all the various phases of my nature, which helped me to understand all kinds of men and to enter into their hopes and plans." Gompers' marriage celebration—he was 17 and his wife only 16, and the marriage an impulsive one—included simply a supper at a cheap restaurant and a trip to the theater.

For many years the figure of this patient wife stands always in the background, thrifty, de-

voted, self-sacrificing. Gompers' early struggles as a member and officer of the Cigar Makers' Union brought neither fame nor fortune, as labor literally fought its way forward through terrible privation. At one time, after a strike had failed, Gompers was blacklisted. Many times his wife and five young children went hungry. He relates:

"I desperately sought employment, going home at night where my brave wife prepared soup out of water, salt, pepper and flour. One night when there was no food in the house and our little girl was very ill, I returned home to find a fellow worker, Jack Polak, had called and offered my wife \$30 a week for three months if she would persuade me to give up the union and return to work. I turned to my wife and said, 'Well, what did you tell him?' . . .

"What do you suppose I said to him, with one child dying and another coming? Of course I took the money.'

"Stunned by the blow I fell in a chair. My wife, all tenderness and sympathy, seeing I didn't understand, exclaimed, 'Good God, Sam, how could you ask such a question? Don't you know I resented the insult?'"

Industrial vs. Craft

The aftermath of this strike, the persecution of himself and his helpless family, marked Gompers for life. From that time on the crusade for labor's rights became the ruling interest of his very being. First in the Cigar Makers' Union his practical brain had effect. He proposed to make a Union strong enough to stand the shock of conflict and to provide protection to its membership. That meant high dues. In return the members got sick and death benefits, employment information, money advanced for traveling, mutual aid in strikes and lockouts, legal defense. Another provision incorporated in the constitution of the Union at this time—about 1877—was "By using all honorable means to effect a National Federation of Trade Unions." This conception in Gompers' mind was to result in the organization of the mighty American Federation of Labor and to make himself its dynamic leader.

Then upon the scene comes the slender, mild-eyed T. V. Powderly, leader of the Knights of Labor, a secret, idealistic organization fundamentally in opposition to the Craft Union idea. A chain of circumstances brought this then powerful organization into conflict with the little New York local of cigar makers. Thus was the battle joined between trade unionism and

the loose industrial organization of the Knights. That Gompers stuck by his principles; that trade unionism proved itself the correct form for American workers, have made the American Federation of Labor the dominant labor organization of the North American continent.

When this idea was nebulously shaping itself in the minds of a few, young Sam Gompers was beginning to be noticed at labor gatherings. In stature noticeably short (he barely reached five feet four inches) it was his legs that were disproportioned; his trunk was that of a powerfully built man. He wore a dark walrus moustache and a small tuft of hair on his chin. As may be deduced from his photographs of this period, he carried himself with the determined, fearless air of a man of purpose. The year 1881, the A. F. of L. had its beginning. Gompers, who was at first chairman of its legislative committee, rose by sheer zeal and activity to its presidency in 1883. Thereafter, save for one short period, the names of Gompers and the Federation were inextricably linked. Ethelbert Stewart, U. S. Commissioner of Labor, who knew Gompers at this time, said the Federation was Sam's Father, Son and Holy Ghost.

Crates for Chairs

And here the motion picture must faithfully depict the Federation's first office, an 8 x 10 room donated by the Cigar Makers' Union, furnished by Gompers (who had no funds) with a kitchen table, a child's writing desk, some crates to be used for chairs, and empty tomato boxes as filing cases.

Pure trade unionism, free of socialism, free of politics, free—in later years—of the taint of communism—was Gompers' creed. Through times of labor strife, through panic and hard times, through persecution of labor from high authorities, he held the Federation together. The bloody strikes of Homestead, Pullman, and Leadville may flash on the screen with a crackle of shots. Then the greater thunder of guns from Manila harbor as Spanish rule is blasted from Cuba. Meantime the Federation, pressing ever forward, stood at last on firm ground as the Knights dwindled gradually away. Its offices were moved to Washington. Gompers embarked on a persistent campaign for the eight-hour day.

Gene Debs' American Railway Union, and the Industrial Workers of the World, both attempts at mass unionism, rose up, had their little day and dwindled to nothing. Gompers frequently clashed with the Socialist Party. In his debate with Morris Hillquit he set forth the funda-

mental differences between his policies and theirs. Giant industries grew in a welter of labor conflict. William J. Burns and the National Association of Manufacturers were bitter enemies of the Unions. Labor used the boycott as its secondary weapon until brought up by the profound shock of the Danbury Hatters' case.

It will be a temptation to linger over the colorful impressions of Theodore Roosevelt, Champ Clark, Bob LaFollette, as Gompers gained political influence and began to secure national labor legislation. Like the script-writer, we are finding it difficult to know what to select from the many dramatic and significant contacts of this rich life. The World War—Gompers on a national stage, encouraging labor to do its utmost for democracy and America, feted by the great, receiving President Woodrow Wilson who came to speak to the convention of the American Federation of Labor in 1917. But never in Old Sam's life was it wholly peace, even within the Federation. His was the never-ending battle. On the one hand there were unwilling followers to persuade or coerce; on the other, recognition for labor to be secured from the government. Another great chapter to be pictured would be

Gompers' relations with the international labor movement abroad and with the European Trade Unions, which culminated in the formation of the International Labor Organization.

In August, 1918, into the magnificent throne room of the King and Queen of England, strode the powerful, squat figure of Sam Gompers, to be presented to their majesties and most cordially received. He had come to fight down the defeatism of the socialists—to whip up the fighting spirit of labor for victory in the war. As Ray Stannard Baker says, "He told British, French and Italian labor leaders what they must do to be saved."

And after the war? An anti-union, wage-cutting crusade of the industrialists, "back to normalcy" with Harding, Gompers disillusioned, heart-broken, yet never ready to quit. Sick, failing in eyesight, saddened by betrayal, he turned toward the warm friendship of the labor organizations of Mexico, and gave them his help by forming the Pan American Federation of Labor. It is comforting to remember that the scarred veteran's end came after a visit to this sunny country where he was hailed and adulated as labor's greatest hero.

Industry's Orphan

Please, Mister, give me a job.
I might look old and tired,
But give me the chance to hold
Away from that word,
"Retired."

There are lots of men retired,
And more of them at work,
But have you ever been
Alone with your thoughts?
They won't ever shirk.

And neither will I,
If I get a job.
There is no task too small,
So don't you worry,
I'll brace myself.
My back's against the wall.

The firing squad, just thoughts, my man,
Tears body and soul apart.
But please,
Mister,
Don't forget—
I still have my heart.

—DONALD GOLDEN.



John J. Martin
2ND VICE-PRESIDENT

Indiana State Fair

By DICK MILLER, Publicity Department of the Indiana State Fair

CITIZENS of Indiana as well as neighboring states have come to look upon the Indiana State Fair as the outstanding agriculture, educational and entertainment exposition in existence. Thus, when the Indiana Board of Agriculture announced that the 1940 Exposition, August 30 to September 6, inclusive, would be "BIGGER AND BETTER THAN EVER," spectator interest soared to a new high. Each year during the past five, new attendance records have been established by the Indiana State Fair, and Phares L. White, of Oxford, Indiana, President of the Board of Agriculture, is confident that the 1940 paid attendance mark will reach 425,000, a sizable increase over last year's record figure of 412,305.

The famous Indiana State Fair is held on the finest fairgrounds in the United States. The huge 215-acre tract is located right in the heart of north Indianapolis. More than sixteen acres are under roof, and the permanent brick and steel buildings represent a value near \$10,000,000.

This year the beautiful new Coliseum, completed during the past twelve months, will be formally dedicated with exercises at 4 p. m. on Sunday, September 1. This huge structure, valued at \$1,250,000, will be the scene of the famous Indiana State Fair Night Horse Show. With its spacious tanbark arena, the largest show ring in the world today, and its 8,000 permanent seats, it not only offers an ideal setting for this great equine event, but affords a haven of rest and free entertainment for the tired and weary during the daytime when cattle and other judging is conducted in the arena. A new feature this year will be a daily matinee Horse Show beginning Monday, September 2, which will be offered at popular prices.

The duration of the Fair will be eight days again this year, with the first two days again given over to the 4-H Club activities.

The Twenty-second Annual Indiana State Fair School of Home Economics will open August 23 for a two-weeks' course, one of which will be immediately before the Fair and the other during the exposition. Still another new feature this year will be the first annual Indiana Board of Agriculture School for Farm Women, to be

held August 15 to 19, immediately preceding the Girls' Economics School. The Farm Women's School will be in charge of the same staff that conducts the Girls' Home Economics School, with Miss Della Hemmer as director. Both will be held in the new \$600,000 Youth Buildings erected and dedicated last year. Both schools are open to two delegates from each county.

Another change this year, and one that undoubtedly will gain much favorable comment, shifts the scene of the Saturday night WLS barn dance show from the stage in front of the grandstand to the new Coliseum. Since the WLS show is broadcast nation-wide, and unfavorable weather conditions in past years have interfered both with effective transmission and attendance, the move to the inside of the Coliseum will eliminate these hazards.

Lieutenant-Governor Henry F. Schricker, who by virtue of his title, Commissioner of Agriculture, is active head of the Indiana State Fair, has increased the number of half-price advance 25-cent admission tickets to 225,000 this year. The bargain ducats were placed on sale July 15. This represents an increase of 25,000 over last year, when 200,000 were sold within three weeks' time. A rule of the Board of Agriculture prohibits any additional tickets printed and likewise prohibits the sale of any after 6 p. m., August 29, the day before the Fair opens, if any remain unsold until that time.

The Fair this year will offer \$159,349 in purses and premiums, an increase of \$10,000 over last year. Approximately \$60,000 of this will be offered for horse racing, and \$20,000 for the Night Horse Show. The entire balance will go to the ribbon winners in livestock, agriculture, home economics, and the fields of art.

Following the special festivities for the youth on the two opening days, the Indiana State Fair will present an unusual thrill program on Sunday when Hoosierdom's own Lucky Teter and his corps of Hell Drivers will make their first Indiana appearance of the season on the race track in front of the grandstand. This event always attracts a record turnout and produces new thrills. Teter promises an entire new show this year.

Beginning Sunday night, September 1, the beautiful and spectacular night stage revue "Americana" will be presented on the grandstand stage. With outstanding productions during the past few years, the night revue has established itself as one of the main entertainment features of the Fair.

Wishing to continue with a carnival and midway of the highest type, the Indiana Board of Agriculture again presents the Johnny J. Jones Shows with the giant ferris wheels, numerous rides for old and young, outstanding show attractions of the freak and musical comedy variety, and new and sensational attractions this year.

Harry G. Templeton, Fair Manager, has announced the program of special days for this year. Following the youth days will come Thrill Day on Sunday, and Monday will be known as Labor Day. Tuesday again will be known as Governor's and Legislators' Day, and Wednesday as Educational Day, with a parade of many champion high school bands. The fine parade staged by the farm organizations last year is expected to be even larger this year on

Thursday, which is given over to farmers and farm organizations. Manufacturers and the Indianapolis folks will have their inning on Friday, the final day.

"Bigger and better" gains added impetus as Indiana University assembles its largest Hoosier Music Festival band and orchestra from over the entire state. Additional cots and heating facilities insure bigger Girls' Home Economics School and Boys' 4-H Camp enrollments. Producers of the entertainment attractions individually promise bigger and better shows this year.

The harness race early closing entries disclose bigger fields and bigger stakes and many champion horses. With bigger purses and premiums offered this year in all departments than ever before, the attendance mark alone remains in question, and the members of the Indiana Board of Agriculture are confident that the advance bargain price tickets will be disposed of in a new record time and that the general turnout for the eight-day Indiana State Fair will exceed the former state expositions in every degree.

Don't Quit

When things go wrong, as they sometimes will,
When the road you're trudging seems all up hill,
When the funds are low and the debts are high,
And you want to smile, but you have to sigh,
When care is pressing you down a bit,
Rest, if you must—but don't you quit.

Life is queer with its twists and turns,
As every one of us sometimes learns,
And many a failure turns about
When he might have won had he stuck it out;
Don't give up, though the pace seems slow—
You might succeed with another blow.

Often the goal is nearer than
It seems to a faint and faltering man,
Often the struggler has given up
When he might have captured the victor's cup.
And he learned too late, when the night slipped down,
How close he was to the golden crown.

Success is failure turned inside out—
The silver tint of the clouds of doubt—
And you never can tell how close you are,
It may be near when it seems afar;
So stick to the fight when you're hardest hit—
It's when things seem worst that you mustn't quit.

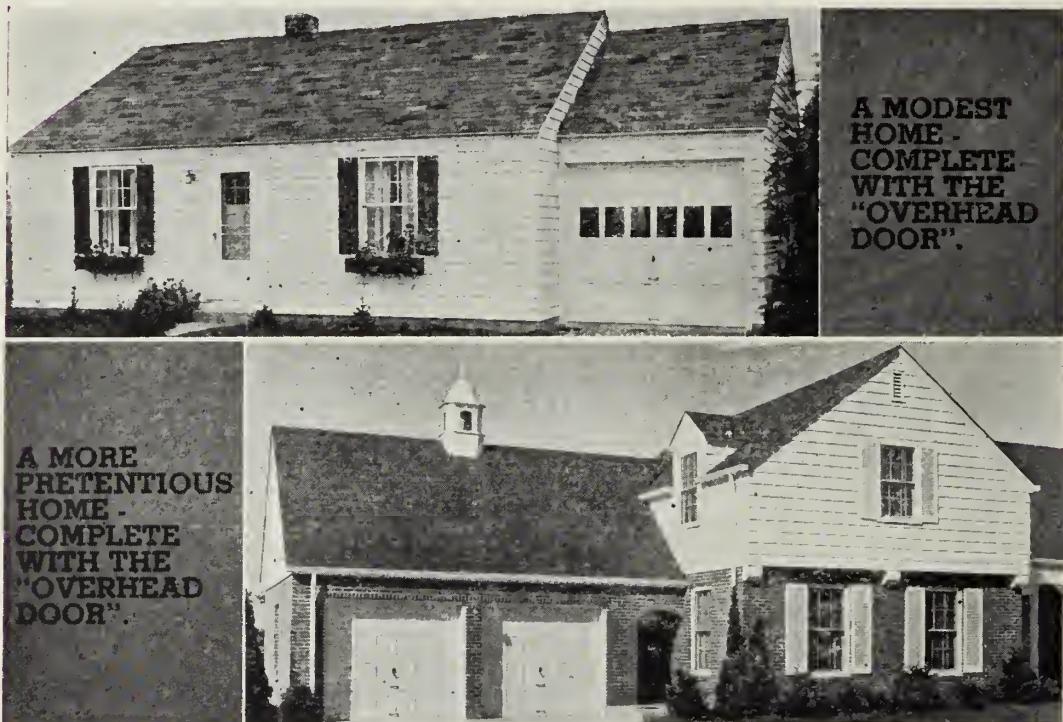
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THE

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In the smallest home or the largest, the "Overhead Door" with the Miracle Wedge gives a lifetime of efficient service. It *wedges tightly*, yet *opens easily*; blends with every type of construction; works in any kind of weather. Use it yourself—recommend it to others. It's priced as low as a *good* door can be made!

Backed by a Nation-Wide
Sales - Installation Service

OVERHEAD DOOR CORPORATION
Hartford City, Indiana, U. S. A.

Indiana's Grapes of Wrath

By VIRGIL L. BANKSON, *Labor Relations Representative*, Farm Security Administration, Region III

MILLIONS of Americans have read John Steinbeck's "Grapes of Wrath." Additional millions have seen the life of the bewildered Joads depicted on the screen. As a nation we have sympathized with the Joad family, have wondered what the next chapter of their lives might hold for them.

As we Hoosiers have sat through the picture in our upholstered theater seats, we have probably envisioned the entire Joad population of the United States as being victims of farm mechanization in Oklahoma and unemployment and low farm wages in California. We would probably be startled out of our smugness if we realized that year after year our Indiana disadvantaged farmers are being debt ridden and tractor driven off the land. Indeed, we have our own wandering Hoosier families, most of whom are migrants from necessity and not from choice, living, but not enjoying, their life as "Joads."

Evidence of this is seen in a report of Farm Security Administration County Supervisors to the Regional Director early in 1940. At that time, 3,859 Indiana farm families (most of whom had been farm tenants the year before) were unable to get a farm for the 1940 crop year. Since there were undoubtedly other families about whom the County Supervisors did not learn, the actual number of those unable to locate would be somewhat greater. This means that at least 3,859 families who farmed Indiana farms in 1939 will have to be farm laborers in 1940, if they are able to obtain local jobs, or migrate to the city to seek urban jobs, or become rural migrants (Joads) dependent upon seasonal farm work. The 3,859 displaced farmers, during the preceding year, had farmed approximately 2 per cent. of Indiana's farms. While a certain "turnover," particularly of tenants, is common, the excess number in this category, cumulating with those of other years, presents a challenge to stability and democracy.

The picture in Indiana is further reflected in the U. S. Unemployment Census of 1937. In that census, 4,097 farmers (including former owners and tenants) registered as totally or partially unemployed, or on emergency work. A portion of these undoubtedly have been forced down the "agricultural ladder" to a position

synonomous with the 20,427 farm laborers who registered in the 1937 unemployment census as unemployed, partly unemployed, or on emergency work.

Nor is Indiana immune to some of the problems which go hand in hand with the highly seasonal labor requirements of various crop specialties, crops which provide short periods of work for many rural migrants. The approximate 100,000 acres of tomatoes grown on Indiana farms require large numbers of workers for picking and canning. Canning operations, for instance, alone require a high of about 32,682 workers in September as compared to a low of 3,127 according to a study made by the National Youth Administration. With the fields of tomatoes fairly well scattered in several counties of the state, however, spectacular concentrations of large numbers of workers in small areas do not take place. This distribution allows more local labor to be recruited than would be the case if the full tomato acreage were highly concentrated. Even so, the peak of the picking and canning employment absorbs considerable numbers of rural migrants whose living and housing conditions while so employed vary from fair to exceedingly poor. Other Indiana specialty crops, such as sugar beets, cantaloupes, fruits and truck gardens, are grown in localized areas.

Two major tragedies are apt to face the farmer about to be displaced, whether he is a tenant, sharecropper, or a debt-ridden owner-operator. The first and most disastrous is that which forces him off the farm he has been operating. His feeling is akin to that of the urban worker who, at a time of great unemployment, loses his job. The reason so many begin to lead a nomadic life is that, in desperation, they grasp at such straws of possible employment as are rumored available in scattered areas. A displaced Indiana farmer may hear of possible work in the strawberry fields of southwestern Missouri and, being unable to locate local work, pack his family in the old car to make haste for the strawberry area. There he may find a job, or he may find a dozen families already there for every job. A good many of Indiana's farm families who were displaced in previous years are now among the migrants of California.

This inability to find steady work is the second tragedy that is apt to face the displaced farmer. When work is secured, particularly if the farmer has been forced into the migrant class, it is only too apt to be temporary and the wages discouragingly low. School opportunities, shelter, food and clothing are apt to be meager. The "surplus" of the farms can no longer migrate to the city, confident of finding employment, nor to the golden West with the expectation of homesteading. This easy solution of our fathers is closed temporarily if not permanently.

It is usually difficult for the urban worker to understand the distress in the rural areas among operating farmers, the way in which it affects him, and the need for rural relief. To many, the farmer has always represented the acme of security and stability. On the other hand, it is easy for the urbanite to understand the plight of the rural migrant, the families who are seeking seasonal farm work, because they are wage earners and, like the urban wage earner, dependent upon the steady flow of wage money for the purchase of food, clothing, and possibly shelter. Estimates of the number of these migrant farm workers in the United States vary from 1,000,000 to 3,000,000 during seasonal periods.

It is imperative for the stability of the farm population that every effort be made to curb the displacement tendencies *before* the farmer owner-operator, the tenant, or the sharecropper has been forced to leave his farm. It is easier, cheaper, more satisfactory and has more possibilities of success. In this connection, it is not amiss to assert that thousands of additional families, perhaps hundreds of thousands, would have been forced down the agricultural ladder had not the United States Government, through the Farm Security Administration of the Department of Agriculture, interested itself in the situation and provided as many as could be reached the type of assistance necessary with the limited funds and personnel available. Efforts have also been made to alleviate the sufferings of the migrant worker arising from lack of shelter, food and medical care.

But the forces of displacement cannot be stemmed in their entirety. Technological innovations, including the tractor, the combined harvester and thresher, the corn picker, can be used either to harass the disadvantaged farmer through their displacement tendencies, or to serve him by enabling him to lead an easier life. The potential effect of mechanization on farm

employment or on increased leisure can be seen by the decrease in man hours per acre. In 1909, it required an average of 12.7 man hours per acre to grow and harvest wheat. This was cut to 6.1 man hours in 1936, or a little more than one-half, according to testimony given before the Temporary National Economic Committee, in April of 1940. Man hours for producing an acre of oats dropped from 12.5 in 1909 to 7.9 in 1936; for corn, from 29 in 1909 to 23 in 1936, with much larger reductions in view as a result of the wider use of the mechanical corn picker. Tractors in use on American farms increased from an insignificant number in 1915 to a number approximating 900,000 in 1930, and an estimated 1,600,000 in 1939. During the 1936 corn-picking season, Hoosier farmers used 2,320 mechanical corn pickers, and for the wheat harvest used 2,585 combined harvesters and threshers. By March, 1938, these figures had grown to 4,067 mechanical corn pickers and 3,517 combined harvesters. There were 44,830 farm tractors in use on Indiana farms alone.

A consideration of elemental importance to industry and the urban laborer in reference to the problem of the disadvantaged in agriculture is their underconsumption of the products of industry. The displaced farmer, who becomes a migrant, is totally unable to provide his family with adequate food or clothing, let alone housing. Upon being displaced, he becomes a "lost market" to industry until his reabsorption in the economic system. The disadvantaged group of farmers are among those who are not using enough of the products of industry, whose market will be, in fact, very small until their rehabilitation is advanced.

In 1937, for instance, on 152,597 Indiana farms, 83,404 did not have radios, 117,361 did not have electric service from power lines or farm plant, 131,858 did not have water piped into the kitchen of the farm house, 142,029 did not have water piped to the bathroom, and 135,336 did not have furnace heat. These items of comfort could be said to be non-existent on the most disadvantaged of Indiana's farms.

It should be axiomatic that the farm land of this country should provide a decent standard of living for as many people as possible. The rapid advance of mechanization has retarded the actual application of this principle. The small non-mechanized farmers have great difficulty in meeting large scale mechanized competition. Tenants and sharecroppers have found that mechanization adversely affects them by making

necessary the services of fewer of their numbers. Mechanization has given impetus to the movement for large scale industrialized farming, by which small farms are absorbed by those which are larger and more prosperous.

Yet family-sized farms, in which the FSA is definitely interested, offer by far the soundest approach for a stabilized and prosperous agricultural economy. The advantages of mechanization, involving its natural solution of the farmers' perpetual problem of long hours and unreasonably hard work, need not be denied the small farmer and, what is more important, need not be used as a medium of displacing him from the only kind of life he knows. Cooperative ownership of machinery and equipment and exchange of labor appear to offer the solution for community control of mechanization. The term "family-sized farm" could well be interpreted to mean the *least* acreage which would provide a comfortable living for its residents.

The application of the principle of family-sized farms involves a number of supplementing factors, such as the extending of aid to such small farmers as are in the process of losing their holdings, the development of community services, the development and strengthening of family-sized farm ownership, and the conservation of good soil, as well as the rebuilding of worn-out land.

In Indiana, the Farm Security Administration is assisting close to 10,000 farm families who would, were it not for this help, be potential migrants. As it is, they not only are enabled to maintain their stability through keeping their hold on the land as owner-operator or tenant, but most of them, through utilizing the expert advice which becomes available to them on farm and home management, are actually becoming rehabilitated and are increasing their net worth and their chances of becoming fully self-sufficient. Large additional numbers need Farm Security's stabilizing aid, which can be gradually extended to them with the availability of funds and personnel.

But the Farm Security Administration alone cannot solve the problem or provide security for all who need security from the farm. We who are startled out of our indifference by a realization that "Joads" are produced in quantity, even on our Indiana farms, hold the key to rapid progress in solving our farm problem. Whether we are urban laborers or farmers, bankers or merchants, ours is the job of helping find a way of keeping these families on the farm where they want to stay. Anchored to the soil they love so well, secure in their tenure, they will provide a potent bulwark of democracy.

What Is a Trade Union?

A TRADE UNION is an organization that grows out of the needs of life and work. It follows no need of its members in the light of existing conditions. It is an agency necessary because workers are one of the integral groups essential to production and must have a part in deciding both the terms and conditions under which they work and the problems arising out of the work they do. Workers have an intelligent part in undertakings of a cooperative nature only if they operate through organized channels and in accord with policies based upon past information and experience.

The Union reflects the genius of the Nation, the customs of the community in which the industrial establishment is located and the attitude and practices of the industrial management. That is to say, the spirit and procedure of the Union are not matters determined solely by that group, but are a complex reflecting the social and economic structure as a whole.

The Union must first meet the problem of providing for wage earners those essential guarantees of justice in the business relations required by self-respect and the means whereby standards of living commensurate with national ideals and well-being shall be established. The Union thus serves as a lifting force to higher economic and social levels. The American labor movement has never accepted the philosophy of class conflict and hence does not believe that warfare between employer and employed is inevitable. This primary principle makes possible the spirit and method of cooperation for the best interests of all concerned with production.

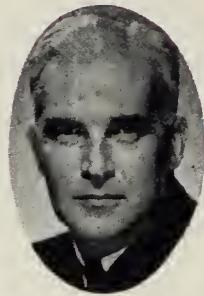
Expressed in another way, a Trade Union is a group organization of persons employed in a common economic undertaking which serves as a clearing center so that the experiences of members both as individuals and as a group may be utilized to promote the progress and well-being of those engaged in that occupation or calling.



Governor
M. CLIFFORD TOWNSEND



President
FRANKLIN D. ROOSEVELT



Federal Security Administrator
PAUL V. McNUTT

Greetings and Best Wishes to Labor

The Democratic Party is the friend of the masses and has always fought for better working conditions, better living conditions and higher wages for those who toil. During the last seven and one-half years of Democratic administration Labor has received more benefits than during the sixty years preceding.



DEMOCRATIC STATE CENTRAL COMMITTEE

Fred F. Bays, *State Chairman*

(PAID ADVERTISEMENT)



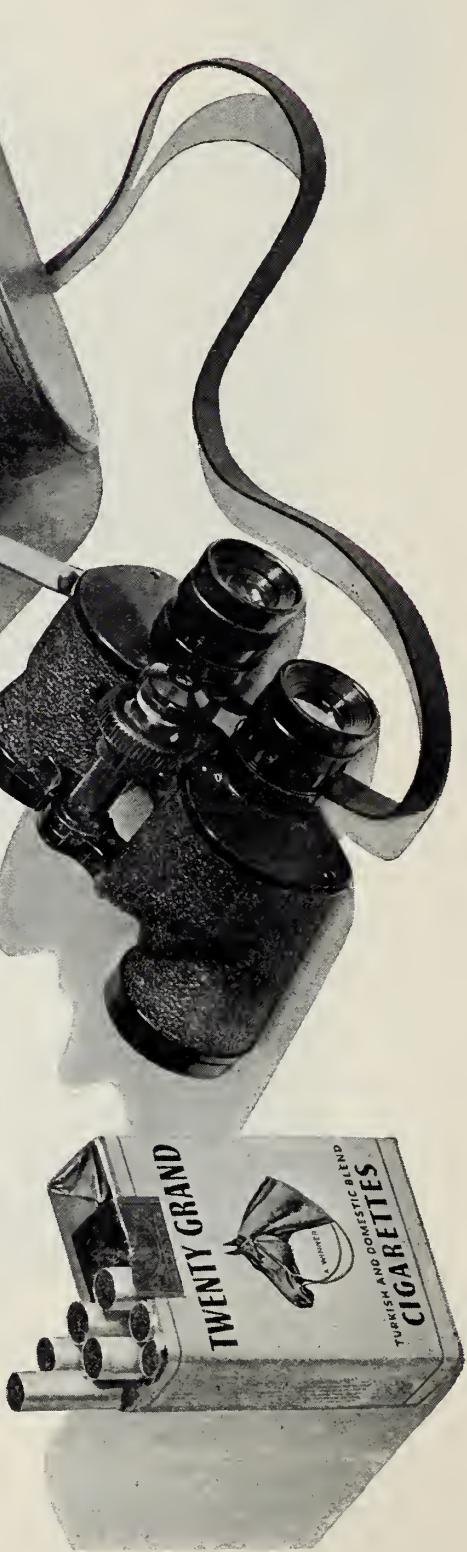
John Acker
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Indiana State Parks

INDIANA'S STATE PARKS, already important contributors to the recreational life of many Hoosiers and motorists from other states, afford increasing opportunities for family outings as a result of improvements and added facilities.

Since the original parks were acquired in 1916, as a memorial to Indiana's first century of statehood, the popularity of these scenic and historic areas has grown steadily. Today there are twelve parks and five memorials, covering approximately 13,000 acres and so located as to be within easy reach of the greater part of Indiana's population.

While the primary purpose of the state parks is to protect and preserve some natural scenic beauty separately or in combination with areas of historic interest, the Department of Conservation has recognized the necessity for providing facilities which will enable the visitors drawn to these areas to enjoy their attractions. Such facilities as have been made have been designed to fit into the landscape, adding to rather than detracting from the natural setting.

One of the major facilities provided in the state parks is a place for picnics, a place where the family can enjoy a meal in the open. In the picnic areas of Indiana's state parks are accommodations for more than 25,000 persons; table and benches, shelter houses, outdoor ovens and fireplaces, comfort stations and drinking fountains which provide safe water. Areas are also set apart for the camper—those who come by trailer as well as those who prefer to pitch their tent under the trees.

Housekeeping cabins and inns which provide the facilities of a modern hotel are also available for the visitor who prefers this more comfortable means of vacationing in one of the state parks.

Riding stables with many miles of bridle paths are another popular means of enjoying the parks. Tennis courts, bathing beaches or swimming pools, children's playgrounds, archery courses and open fields in which games can be played add to the attraction of the state parks for the visitor who enjoys these forms of outdoor recreation. In many of the parks the angler will find well-stocked lakes or winding streams challenging his fishing ability.

Included in the Indiana state parks are:

BROWN COUNTY STATE PARK—Located on Roads 46 and 135, near Nashville, in Brown

County, and having an area of 3,821 acres. This park was established in 1930 and provides facilities for picnicking, camping, hiking, swimming, tennis, horseback riding, archery and nature study. It adjoins the 11,000-acre Brown County State Game Preserve, which is also open to the visitor and includes two lakes which provide fine fishing.

CLIFTY FALLS STATE PARK—Located on Roads 7-107, 56-62, west of Madison in Jefferson County and having an area of 617 acres. This park was established in 1920 and is on a high plateau overlooking the Ohio River and possessing unusual scenic beauty. Hiking, picnicking, camping, tennis, nature study and horseback riding are among the recreational activities available for the visitor.

INDIANA DUNES STATE PARK—On Roads 12 and 49, bordering on Lake Michigan for three miles and located near Chesterton in Porter County, this park was established in 1925 and now includes an area of 2,220 acres. It has an unexcelled beach, extensive picnic and camping areas, many miles of hiking trails and a nature guide on duty through the summer months. The sand dunes and the plant and bird life of the park have been the subject of continuing scientific research.

MCCORMICK'S CREEK STATE PARK—On Road 46, east of Spencer in Owen County, was established in 1916 and has an area of 662 acres bordering in part on the West Fork of White River. Horseback riding, swimming, hiking, camping, nature study and tennis are among the park's attractions. It also has facilities for group camp-

Deer roam the Brown County Park.



ing, used by organized groups of boys and girls. The falls in McCormick's Creek are among the scenic beauties of the park.

POKAGON STATE PARK—On Road 127, just west of Road 27 and north of Angola in Steuben County, this park was established in 1925, and has an area of 937 acres. It borders on Lake James and Snow Lake, two of Indiana's best-known fishing lakes, and is a center of winter sports as well as summer activities. The recreational attractions include: Boating, swimming, fishing, hiking, picnicking, camping, tennis, horseback riding and nature study, with skiing, skating and tobogganing in winter.

MOUNDS STATE PARK—On Roads 32 and 67, near Anderson in Madison County, was established in 1930 and now includes 251 acres bordering White River. Chief attractions of the park are the earthen works left by the prehistoric race of Mound Builders. Mounds in the parks are among the best-preserved examples of their type. Hiking, picnicking, camping, nature study, fishing and horseback riding are among the recreational facilities of this park.

SHAKAMAK STATE PARK—Near Jasonville in Clay, Greene and Sullivan Counties, was established in 1929 and now includes 1,021 acres. It is accessible over Roads 48 and 159. Located in the coal-mining part of Indiana, Shakamak is widely known for its two lakes, well stocked for fishing, and as a setting for an annual swimming and diving meet that attracts contestants from many states. It offers boating, fishing, swimming, hiking, picnicking, nature study, camping, tennis and group camping.

SPRING MILL STATE PARK—On Road 60, just east of Road 37 at Mitchell, was established in 1927 and now has an area of 1,179 acres. Picnicking, camping, nature study, boating, fishing and hiking are among the activities. Centered around a restored pioneer village, complete to its water-powered grist mill, and two extensive underground caverns, Donaldson and Twin Caves, attractions of the park interest all members of the family. A museum of pioneer implements and utensils is maintained on the upper floors of the mill building.

TURKEY RUN STATE PARK—On Road 47, just east of Road 41 and north of Rockville, this park was established in 1916 and now has an area of 1,301 acres bordering Sugar Creek in Parke County. The twisting gorges, the virgin timber and the scenic beauty of this area which inspired the establishment of Indiana's park system, are still among the attractions of the park.

Activities include: Picnicking, camping, hiking, fishing, horseback riding, archery, tennis and nature study.

MUSCATATUCK STATE PARK—On Roads 3 and 7, near North Vernon in Jennings County, was established in 1921 and has an area of 204 acres bordering the Muscatatuck River. Hiking, picnicking and camping are among the activities at this park. Trails lead the visitor to all points of interest.

BASS LAKE BEACH—On Road 10, near the town of Bass Lake in Starke County, this beach on Bass Lake is a center of summer activities, including swimming, boating, fishing and picnicking.

LINCOLN STATE PARK AND NANCY HANKS LINCOLN MEMORIAL—On Road 162 at Lincoln City, established in 1932 with an area of 1,166 acres, the Memorial area includes the grave of Nancy Hanks Lincoln and the site of the cabin in which the Thomas Lincoln family lived for fourteen years, while the park across the highway has extensive picnic areas, a well-stocked lake and a number of trails and other points of interest.

LANIER MEMORIAL—Located at Madison in Jefferson County, this stately mansion became a state memorial in 1926 as a tribute to James F. D. Lanier, who twice placed his personal fortune at the disposal of Indiana in times of financial stress. The home, built in 1844, gives an accurate picture of leisurely, cultured life in the early years of Indiana.

CORYDON STATE CAPITOL—In Corydon on Roads 62 and 135, this was Indiana's first state capitol building, serving during the first constitutional convention and the seat of government from 1816 to late in 1824. The building has been restored to its original design and has many of the original furnishings.

TIPPECANOE BATTLEFIELD—East of Road 43 and north of Lafayette, this memorial was established in 1925 to commemorate the decisive defeat of an Indian uprising by troops commanded by William Henry Harrison, territorial governor, in 1811.

PIGEON ROOST MEMORIAL—Located just east of Road 31, near Underwood in Scott County, a tall shaft marks the site of the Pigeon Creek settlement which was wiped out during a surprise attack by Indians in 1812.

Collective Bargaining as Between Nations

By CORDELL M. HULL, *Secretary of State*
Workers Understand Process Underlying Trade Compacts

THE word agreement is used frequently to describe trade compacts in the Hull trade program. This is no accident, inasmuch as the Hull process of setting up trade compacts involves negotiations with which labor is familiar under the term collective bargaining. Representatives from two nations sit down together, discuss their trade problems and begin to adjust differences just as representatives of workers and employers sit down to negotiate an agreement. It is the process of peace and it is the heart of the Hull trade program. It is the opposite to war.

The Congressional Act under which Mr. Hull carries on his healing and important service is called the Trade Agreements Act. To understand its goal and its necessity, one merely needs to turn back the pages of history a little. For the last fifty years nations have been operating upon protective tariff policy as distinguished from free trade. A tariff is nothing more than a tax on incoming products in order to enable manufacturers of similar products at home to undersell to the domestic consumer his foreign competitors. Mr. Hull does not oppose tariffs. He merely points out that there is a difference between tariffs as revenue and tariffs as instruments of economic warfare.

Putting Gates in Walls

During the great war of 1914 on to the present, tariffs starting out to be in many instances tariffs for revenue became instruments of economic aggression. In short, the nations of the world, while they were talking peace, began to build walls around themselves — tariff walls — that strangled international trade. Mr. Hull as a great diplomat has not undertaken to tear down these tariff walls. He merely tries to put a gate here and a gate there or lift a ladder over the edifice in order to let a little trade trickle through or hoist commodities above obstructions and thus ease the impossible situation.

During the last month, Secretary Hull and others have appeared before the Senate Foreign Relations Committee to describe this process and to ask for an extension of the Trades Agreement Act. Labor has been entangled in this situation. William Green, president of the American Federation of Labor, has made it clear

that the American Federation of Labor is not opposed to the trade agreement program. Labor leaders sitting in Miami, Fla., this month are discussing this important problem.

Let us look at what Mr. Hull did in the case of our neighbor to the south, Brazil. In the agreement of 1935 with Brazil, the United States agreed to keep 91 per cent. of the imports on the free list, and to reduce duties on 2.5 per cent. of the imports. The United States lowered the duty by one-half on manganese ore, Brazil nuts and castor beans. In return, Brazil agreed to reduce duties on twenty-eight tariff items affecting imports coming largely from the United States. These items included automobiles, certain kinds of machinery, fresh fruit and cereals.

Labor Benefits

To date, trade agreements have been signed with twenty-one different countries. How does all this affect American labor? This is an important question. Dr. Isador Lubin, Commissioner of Labor Statistics, told the House Ways and Means Committee that 300,000 jobs directly and countless others indirectly had been created as a result of the reciprocal trade agreements. Dr. Lubin doubted a single American workman had lost his job because of any concessions granted to a foreign country. Dr. Lubin stressed the fact that seventeen industries had benefited from the trade agreement program. In this listing he placed electrical manufacturing, radios and phonographs, as well as automobiles, foundry machine shop products, agricultural implements, tires and tubes, hardware, stoves, rubber goods, wire, textile machinery, cash registers, typewriters, rubber boots and shoes, cast iron pipes, cutlery and edged tools.

Recently the Carnegie Endowment for International Peace distributed a pamphlet among American trade unionists by J. William Terry, entitled "American Labor and the Trade Agreements." This pamphlet takes much the same point of view as Dr. Lubin. Dr. Terry undertakes to present figures to support his thesis:

"In 1937, after eight countries had made agreement concessions on it, the United States produced agricultural machinery 42.2 per cent. greater in value than was produced in the pre-

agreement year 1935. A total of 32.2 per cent. more 'man-hours' of labor was provided for American workers in this industry in 1937 than in 1935. In 1937, 30.4 per cent. more wage earners were employed making agricultural machinery than were so employed two years before. . . .

"There were 4.6 million more man-hours of labor directly employed in manufacturing agricultural machinery for export in 1938 than there were in 1935. But before these 4.6 million hours of work could be performed, other work was provided in producing raw materials and transporting them to where the machinery was manufactured. After the machinery was made, there was employment for railroad workers, for truck drivers and stevedores in connection with its shipment. These things naturally involved much communication, which provided work for stenographers, clerks and for postal, telephone and telegraph employees."

Dr. Terry goes on to explain what the "most-favored-nation" clause really means in the Hull program:

"Moreover, the most-favored-nation arrangement is an excellent bargain for us, in that it gives us advantage of more tariff concessions than we grant. As illustrative, Department of State calculations, based on figures for 1934, show American imports which were subject to increase by virtue of non-agreement countries taking advantage of concessions made in agreements amounted to some \$30,000,000. American exports which, because of the most-favored-nation policy, were given the benefits of preferential duties which would not otherwise apply to American products amounted to approximately \$265,000,000. Thus, we gave benefits on \$30,000,000 of trade and received benefits on \$265,000,000 of trade.

"As examples of how the most-favored-nation clause in the agreements has served to remove discriminations against American trade: In the agreement which became effective June 15, 1936, France first granted us most - favored - nation treatment. Consequently, we were able to take advantage of preferential dues not previously available to us in respect to 4,328 tariff posi-

tions. Canada pledged us most-favored-nation treatment in the agreement which became effective January 1, 1936, and in consequence lowered duties that Canada had granted certain other countries became applicable to imports from the United States on 600 items. . . .

"We conclude an agreement with country A, for example, in which we grant concessions on certain commodities which we find it economically profitable to buy abroad. This enables country A to increase its purchases from us. Without the most-favored-nation policy, the benefits to the United States would end here. But with the most-favored-nation clause a part of the agreement, countries B and C take advantage of the concessions granted to country A and increase their exports to the United States. This may enable countries B and C to augment their imports from us. It may also enable countries B and C to buy commodities from country A which we do not need and would not buy. Because of its increased sales to countries B and C, country A is able further to increase its purchases from us. Thus it is that the most-favored-nation policy gives every agreement multiple angles, each adding to the profit we derive from the agreements.

"In short, without the most-favored-nation clause, the agreements program would operate to restrict instead of expand trade, but when included in the agreements, the clause is an instrument of much profit. Because of these facts our government is extremely careful that the clause be not allowed to open the way for mass importation of products made by cheap labor that could undersell domestic products, and so endanger the agreements program."

Dr. Terry denies, as does Dr. Lubin, that any harm to American labor in the zinc, shoe, flat glass and woolen textiles has been caused by the trade compact program.

In a world gone mad in war—and it should be emphatically remembered that economic aggression is a form of warfare, and usually precedes armed conflict—it is a refreshing thing to find the American Nation, led by Cordell Hull, seeking the ways of peace. The very method of the Secretary of State is one familiar to labor and one that should recommend itself to labor.



D. B. Evans
4TH VICE-PRESIDENT

GOSHEN RUBBER *and*
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GOSHEN, IND.

Electrical Progress

IN CONSIDERING living conditions in the home of the average Indiana worker today, one of the most impressive facts is the improvement that has been brought about by the increased use of electricity.

The use of electrical housekeeping appliances, to say nothing of better lighting, has indeed shown considerable increase in the average home, according to recent statistics. The same electric cooking, water heating and other conveniences that once were considered luxuries to be enjoyed only by the wealthy have been brought into reach of the wage earner.

Regardless of the conditions under which he himself works, every working man who has his wife's welfare at heart wants her working conditions to be better. He wants to bring up his children in a modernly-kept house, with plenty of good light to protect their eyes. He is interested, too, in his own comfort at home at the end of a day's work.

Such advantages come with up-to-date electric appliances. And such appliances are easier to afford because their cost has gradually come down, they can be bought on easier terms, they

have been improved so that they use less current, and the current they do use costs less with today's lower electric rates. Of all family expenses, electricity is the only one which has come constantly downward in recent years, such items as food, clothing and rent still being well above pre-war levels according to U. S. Bureau of Labor Statistics.

How much the use of electrical conveniences has grown in workingmen's homes in Hoosier cities, and how little it has affected family budgets, is indicated by statistics from the state capital.

In 1939 a total of 954 kilowatt-hours of electric service was used in the average Indianapolis home, according to the report of Indianapolis Power & Light Company. This represents an increase of nearly 35 per cent in the last three years, yet the cost to the average residential user was actually 22 cents less than in 1936. The explanation is found partly in electric rate reductions in recent years, and partly in the rate set-up whereby electric service gets cheaper as its use increases.

No Harvest Ripening

Come quickly, winter, for the heart belies
The truth of these warm days. These August skies
Are all too fair to suit the times--so kind
That almost they persuade the treacherous mind
It still is summer and the world the same.
These gaudy colors on the hills aflame
Are out of keeping with the nun's attire
We wear within—of ashes, not of fire.
Season of ripening fruit and seeds, depart.
There is no harvest ripening in the heart.
Oh bring the frost that strikes the dahlias down
In one cruel night. The blackened buds, the brown
And wilted heads, the crippled stems, we crave—
All beauty withered, crumbling to the grave.
Strip off the leaves, oh Wind, and harden, Ground,
Till in your frozen crust no break be found,
Then only, when man's inner world is one
With barren earth and branches bared to bone,—
Then only can the heart beg'n to know
The seeds of hope asleep beneath the snow;
Then only can the chastened spirit tap
The hidden faith still pulsing in the sap.
Only with winter-patience can we bring
The deep-desired, long awaited spring.

—ANNE MORROW LINDBERGH,

REPUBLICAN STATE TICKET

U. S. Senator

RAYMOND E. WILLIS.....Angola

Governor

GLEN R. HILLIS.....Kokomo

Lieutenant-Governor

CHAS. M. DAWSON.....Indianapolis

Secretary of State

JAMES M. TUCKER.....Paoli

Auditor of State

RICHARD T. JAMES.....Portland

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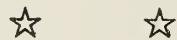
Judge Supreme Court

FRANK N. RICHMAN.....Columbus

Judges Appellate Court

DAN C. FLANAGAN.....Fort Wayne

EDGAR M. BLESSING.....Danville



It is generally recognized that both in this state and in the Nation, we are losing INTEGRITY and CHARACTER in Government.

In order that respect for, and confidence in Government may be restored, we strongly advocate a return to the OLD-FASHIONED ideas of HONESTY and CHARACTER in Government.

VOTE REPUBLICAN

INDIANA REPUBLICAN STATE CENTRAL COMMITTEE

(Paid Advertisement)

Indiana's State Highway System

INDIANA'S modern system of transportation, built around state highways, affects the livelihood and welfare of every citizen. Everyone has a personal interest in this great system in Indiana and in seeing that no harm comes to it.

Over a period of twenty-one years, the citizens of Indiana have invested hundreds of millions of dollars in their state highway system which ranks among the finest in the Nation. They have formed a high opinion of this system and taken justifiable pride in its development, efficiency, completeness and serviceability. Operated on a pay-as-you-go basis, the state highway system has been expanded as funds were available and as the need arose, and it stands as a monument to efficient administration and good engineering. This system has grown so rapidly that few motorists realize the extent and the potentialities of it.

Huge sums of money have been and are being expended in its construction, maintenance and operation; and, as always, where money is expended, competition for that money is keen. Individuals and corporations who feel that they should have a larger share of this money, and persons who are personally interested in special parts of this system often resort to misstatements of fact and the circulation of half truths in an effort to force their demands on the administrators of this public trust or to further their own selfish political or business interests.

As the Hoosier poet, Riley, once said:

"It's only natural, I guess,
When some gits more and some gits less
For them 'uns on the slimmest side
To claim it ain't a fair divide."

The operation of the state highway system is one of the biggest businesses in Indiana. It requires much more than snap judgment or haphazard guesses. Its operations are conducted by a staff of highway engineers unexcelled in the Nation. These men, highly trained in the technical phases of highway engineering, make highway work their career and enjoy the highest professional standing among the Nation's engineers.

Among the salaried engineering personnel are found graduates of forty-eight different colleges and universities, with a combined total of over 1,000 years of technical engineering training. Among twenty-five division heads and their chief

assistants, we find a combined experience of 325 years with the State Highway Commission, for an average of thirteen years each.

Numbered among the engineering personnel are 123 who have served from eight to twenty-one years with the Commission. This group of 123 engineers, many of whom hold the highest posts in the Operations Department, has served under both political parties, and the average service with the Commission for this group is 12.7 years. Twenty-seven of these have served over fifteen years; fifty-five have served from eleven to fifteen years, and forty-one for eight to ten years.

State highways in Indiana are constructed and maintained from motor fuel taxes and license fees, so it may be well to compare Indiana with other states in this matter. Indiana ranks eleventh in population, thirty-seventh in area and ninth in motor vehicle registration. It ranks fourteenth in the amount collected from license fees and eleventh in motor fuel consumption. Seventeen states have a higher tax on motor fuel, eighteen have the same, and thirteen have a lower rate.

Indiana's state highway system ranks seventeenth in total number of miles. It has 2.1 per cent. of all the state highways in the Nation and 4.4 per cent. of all the cement concrete state highways in the Nation.

It has been said that Indiana lags behind the other states in the use of concrete as a road material. Only six states—Illinois, Iowa, New York, Pennsylvania, Texas and Wisconsin—have more miles of concrete state highways than we do. Forty-one states have less.

During 1938, Indiana ranked seventh in construction of new concrete highways, with 10 per cent. of the Nation's total. In that year our mileage of new concrete road construction exceeded the combined total of Arizona, Colorado, Massachusetts, Montana, Nevada, New Mexico, Utah, West Virginia, Wyoming, North Dakota, Rhode Island, Vermont, Alabama, Idaho, Maine, New Hampshire, Delaware, South Dakota, Connecticut, Arkansas and Oregon.

These twenty-one states, with a combined population of over six times that of Indiana and a combined state highway mileage fourteen times as great, did not collectively equal Indiana's

total. During the same year, Indiana's total was exceeded in this type of construction by Illinois, Iowa, Mississippi, New York, Texas and Virginia; Illinois—with twice as much population—being the only one of our border states to exceed our total. During this same year, Indiana was second to Texas in the total number of miles of state highway improved; second to Pennsylvania in the number of railroad grade crossings eliminated and second to Illinois in the number of railroad crossings protected by gates and signals. All three of these states greatly exceed Indiana in area, population, miles of road, number of licensed vehicles and taxes collected.

Just to prove this was no fluke, in the year 1939, Indiana ranked eighth, and Indiana's mileage of new concrete state highway construction again equaled the combined total of twenty-one states.

These facts should be of particular interest to those who may have the impression that Indiana lags behind in the use of concrete as a road material.

At the same time, Indiana has hard-surfaced roads which are beginning to show the ravages of time and the wear of heavy traffic—roads still strong enough to bear up the loads carried over them, but with surfaces that have become rough. It is the policy of the Commission to salvage those roads wherever it is economically possible. This program is comparable to that of a thrifty housewife who has her children's shoes half-soled to extend their life or to that of a

motorist who refuses to junk his car merely because the tires are worn out. There is nothing mysterious about this. It is merely good, sound, common sense and frugality applied to a big business; a frugality so rare that it is regarded with suspicion. So, in order to avoid breaking up and destroying a road which is still strong, we save it by the addition of a binder and a thin riding surface of rock asphalt over the old base. Thus, at a fraction of the cost of new construction, a smooth, easy-riding and durable surface is provided.

Most motorists have seen this type of construction on the streets of their cities, as in the past two years many miles of rough brick, concrete and Macadam streets in over 100 cities and towns have been thus transformed. They are the judge of the smoothness and suitability. This practice, in addition to its economy, which makes the road dollar yield more and better roads, has an added advantage of giving protection against skidding. The higher speeds and fewer accidents at the Indianapolis Motor Speedway are due to the fact that its curves have been covered with rock asphalt.

Put all of the state motor tax dollar does not come to the State Highway Commission. During the last fiscal year, after deducting collection costs out of these taxes, \$10,578,654.28 was returned to the counties for use on county roads; \$2,000,000 was returned to cities and towns for use on their streets; \$1,250,000 was turned into the general fund of the state; \$919,181.52 went to pay the Indiana State Police and the re-

Resurfacing adds years of service to worn surfaces on highway routes.



mainder came to the State Highway Commission.

An average of over \$18,000,000 per year came to the State Highway Commission for the four years 1929-1932, inclusive. During the eight years since that time, the period 1933 to 1940, inclusive, the average has been a little over \$14,000,000 or \$4,000,000 less per year.

In the meantime, however, new demands have been made on the Commission. There are approximately 2,000 more miles of highway in the state system than there were in 1932. This requires considerably more for proper maintenance. Included in this is approximately 400 miles of city streets taken into the system January 1, 1938, relieving the property owners of the burden of maintaining and reconstructing streets worn out by through traffic. The amount of traffic has increased each year, and this increases the demands made on the highway system. As a consequence, many things are required that were not required in 1932.

The laws of Indiana safeguard the spending

of your tax dollar. Every cent must be accounted for. Projects are awarded on competitive bids. Skilled civil engineers, draftsmen, chemists, soil experts, mechanics, painters, accountants, bookkeepers, purchasing agents, attorneys, traffic engineers, design engineers, electrical engineers and a small army of conscientious maintenance employes see that you get more for your highway dollar than any tax dollar you spend. As an evidence of their efficiency and due in part, at least, to modern highway construction, maintenance and design, the fatalities in Indiana per hundred million miles of travel have decreased steadily each year from twenty-six in 1934 to thirteen in 1939. This state highway system carries over three and one-half billions of miles of travel each year, with only one accident for each 400,000 miles of travel and only one fatal accident for each 10,000,000 miles of travel. The State Highway Commission is proud of this record and believes that Indiana motorists also take pride in this record.

Modern, safe dual lane highways meet present-day traffic needs.



Library of Congress One of Worthwhile Things You Can See in Nation's Capital

By GEORGE L. KNAPP

ONE of the things you can see in Washington is the world's hugest and one of the world's best libraries—the Library of Congress. You can see it lodged in a magnificent building; and the seeing, at least, is amazingly accessible.

A catalog, so to speak, of the Library of Congress listed:

5,591,710 books and pamphlets, 1,402,658 maps and views, 1,194,697 books and pieces of music, 542,074 prints in the art division, 97,000 bound volumes of newspapers, and "So many manuscripts that numerical statement is not feasible."

The influence of Thomas Jefferson got the library started even before he rode his horse to the Capitol and tied him to a fenceral to take the Presidential oath. The first appropriation for the library was \$5,000, April 24, 1800. The first catalog, compiled in 1802, showed 964 books and nine maps. The fire the British set in 1814 did little more than temporary harm to the Capitol, but it wiped out the sprouting library.

Jefferson sold the country his vastly larger library of over 10,000 volumes for \$23,700; and it was bought in spite of the pious objections of Congressman Cyrus King, who protested against the Nation taking books which had been tainted by being in the house of a freethinker. Reaction and asininity are no new things on Capitol Hill.

When just visiting Washington, you see little of the library but the buildings. The first and main one, facing west on a 10-acre lot just east of the Capitol grounds, is a fine building from outside. But to get the full measure of it, go up on the outside stairs in front, enter on the library floor.

If the radio has taught you the songs of your ancestors, you will hum or whistle "I Dreamt That I Dwelt in Marble Halls"; for you will be in one of the greatest of marble halls. I have seen the show palaces of three Italian cities, and not one matches this entrance hall. In the middle it is three stories high; around the sides run two balconies, one above the other, facing inward, all marble.

The supports of the first balcony from the lower floor are square piers of marble; marble stairs at each end lead to the first balcony, and that balcony upholds the second one by fifty-six marble columns, each $12\frac{1}{2}$ feet from base to capital, and each cut from a single block.

At the front, over the door which you entered below, is a shrine containing the original Declaration of Independence, covered with yellow gelatine sheets, which at least make the ink of the great document fade more slowly. At the back above the landing of the stair going to the upper balcony is a mosaic picture of Minerva, the goddess of learning; the most beautiful of anything like the size that the present writer has ever seen.

From a gallery opening from the upper balcony, you can look as long as you like at the reading room. It is eight-sided in plan, 100 feet in diameter, 125 feet from the center of the bronze door above to the reading room floor. Between the eight sides are columns of colored marble. In the center of the room is the official desk; around it, a lamp at each chair, the desks where people read.

On the entrance hall floor, you will find the zodiac. On that floor, too, is a reading room for Congressmen and for Senators, and another one for the general public, with newspapers and magazines from all over the country and several different parts of the world. Almost everywhere you find statuary, and most of it is good. There is an art division, and a law division, and a music division.

"What a terrific expense!" some will explain—have exclaimed. Well, the library building which I have partly described, the new building back of it—the two of them having 414 miles of book shelves and accommodations for 12,000,000 books, and across the side street, the Supreme Court building, more gorgeous and costly still, foot up together to a little more than half the cost of a modern battleship.



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Why National Labor Relations Act Should Be Amended

A Radio Address

By WILLIAM GREEN, President, A. F. of L.

THE American Federation of Labor is now leading a struggle which is of direct and vital importance to every citizen of the United States.

We have asked Congress to make certain changes in the National Labor Relations Act and we are rallying all our forces in support of these amendments because we are convinced that their adoption will correct present injustices, stabilize labor relations in interstate industry and help bring about National recovery.

As a democratic, American institution, the American Federation of Labor always has been responsive to public opinion. We have done our utmost to merit public support of our policies. We believe we have abundant evidence today that the American public overwhelmingly supports the American Federation of Labor in its efforts to guarantee fair play in the administration of the National Labor Relations Act.

That is all we ask—fair play. That is all the National Labor Relations Act ever was intended to accomplish—fair play. That is what the National Labor Relations Board has disgracefully failed to live up to in administering the Act—the principle of fair play.

The American public was sounded out on the subject of the National Labor Relations Board several months ago by the National Institute of Public Opinion. In a poll of persons from all walks of life, this nationally accredited organization found that 92 per cent. felt the National Labor Relations Board was biased against the American Federation of Labor and in favor of the C. I. O.

Why does this feeling exist? And why did the delegates to the last American Federation of Labor convention, sharing this conviction, demand unanimously that the National Labor Relations Act be amended so as to guarantee fair play?

The answer is found in the record of the Board. It shows that the National Labor Relations Act has been tragically maladministered.

Remember that the American Federation of Labor was the original sponsor of the National Labor Relations Act. We nurtured it and fought

for it and succeeded in getting it enacted. We believed then in its principles and we are just as wholeheartedly committed to them now.

All the law set out to do was to establish a basis of fair play in industrial relations between employers and their workers. It was expected that fair play would create good will, that peaceful negotiations would be substituted for costly strikes and that the free flow of interstate commerce would no longer be seriously interrupted by labor troubles.

It hasn't worked out that way, and the responsibility lies squarely with the Labor Board. Let me tell you the story.

The National Labor Relations Act became the law of the land in July, 1935. The following October a minority group in the American Federation of Labor, defeated by a two-thirds vote on a question of policy at the Federation's convention, refused to abide by democratic, majority rule and revolted. Thus the C. I. O. was formed. It proceeded to institute a systematic campaign to disrupt and destroy the American Federation of Labor.

Then, lo and behold! We suddenly found the National Labor Relations Board actively siding with the C. I. O. One member of the Board even stated in an official opinion that he favored the type of union organization fostered by the C. I. O. Later he won over another member of the Board to his viewpoint.

In case after case, thereafter, the Labor Board in its decisions sought to destroy A. F. of L. Unions which had been in existence for many years and force their members to be represented by the C. I. O.

All this in face of the fact that Senator Wagner of New York, author of the law, had publicly stated on the floor of the Senate when the bill was under consideration, that "there is nothing in the pending bill which places the stamp of Government favor on any particular type of Union."

But the Board did not stop there. It went further. The next thing we knew, it was issuing administrative orders, in direct conflict with the

law, setting aside legally valid contracts between bona fide American Federation of Labor Unions and employers. In each case the C. I. O. benefited by the Board's action. Of course, we cannot stand for that. We went to court. And in the Consolidated Edison case the Supreme Court of the United States reversed the Board and criticized it for "extravagant and unwarranted" assumptions. The court said:

"Further, the Act gives no express authority to the Board to invalidate contracts with independent labor organizations."

This decision should have stopped the Board in its tracks. But it hasn't. Apparently the Board refuses to recognize the highest court's ruling as a check on its assumed authority, but attributes it merely to procedural errors in the case.

This isn't all. Our complaints against the Board and its staff go even deeper. For instance, when one of our unions asks the Board to hold an employe election promptly and the C. I. O. asks for delay, the election almost always is delayed. When the position is reversed and we ask for delay, the Board acts with incredible speed.

Time and again the Board has set new precedents and established new rules to upset our cases and then has gone ahead and reversed its own rules and precedents on the flimsiest excuse whenever such a course would suit the purposes of the C. I. O.

It has reached the point now where our people, representing the American Federation of Labor and its 5,000,000 members, feel that they are entering a hostile camp when they appear before the Board. It is not just our imagination. We *know* we are viewed with enmity by the Board and its staff. We *know* that from certain members of the Board itself down through the roster of its employees there runs a common bond of sympathy with the C. I. O.

This holds true especially among those whose political and economic beliefs lean to the left. The extremists on the payroll of the Labor Board and on the payroll of the C. I. O. have undoubtedly formed a "united front." It is a "united front" of ideas. By sharing a destructive philosophy and letting it influence official judgment they have managed to accomplish as much damage to the American worker as though they had actually sat together and entered a conspiracy to reshape the American labor movement.

This is strong language. But the facts justify it.

The present situation is so serious that the American Federation of Labor believes it must be remedied at once. We have asked Congress to do so by abolishing the present Board and establishing a new Federal Labor Board of five members. Only in this way can the Nation obtain the necessary housecleaning of a bureau which has wandered far afield from its original functions.

We should not stop there. We hope and trust that a new Board will not duplicate the mistakes of the present one. But we must make *certain* that the wide discretionary powers vested in the Board will not be abused in the future. Therefore, in order to assure fair play, we have asked Congress to write into the law the rules of the game, rules that will apply to all and guarantee every party equal justice under the law.

First, we ask that in any plant where a craft or group of skilled workers exists, these workers be given the right to decide for themselves by their vote whether they wish to be represented in collective bargaining as a separate unit or whether they wish to be merged with all the other workers into a single unit. This is democracy. It is self-determination.

Many skilled workers wish to be represented separately and have been so represented by their Craft Unions for many years because they believe they can command higher wages for their skill by this method. Certainly they should have this right. It has never been denied to them before. Certainly they should not be deprived of it by a governmental agency operating under a law which was adopted to make labor free.

Secondly, we urge that the Board's authority to set aside legal contracts between bona fide Labor Unions and employers be clearly defined and limited. This amendment follows the decision of the Supreme Court in the Consolidated Edison case. We want the principles laid down in that decision written into the law so that the Board will know just what it can do and what it cannot do in the future, and there will be no further room left for misunderstandings.

Thirdly, we have introduced a series of procedural amendments, most of which are too technical and legalistic in their nature to explain in any detail here. Their purpose is to avoid unnecessary delays in handling of cases by the Board, to restrict arbitrary exercise of discretionary powers and to permit court review of

rulings on which the Board now says its own word is final.

In conclusion, I want to emphasize that for more than half a century the American Federation of Labor has protected the interests of American workers to the fullest degree and has raised their working and living standards to the highest in the world. It is entirely in the interests of American workers that the American Federation of Labor is now seeking to strengthen and perfect the National Labor Relations Act.

Any amendments, sponsored by employer groups which have for their purpose the destruction of the basic principles of the Labor Act will find their sternest foe in the American Federation of Labor.

Now let us see just who these people are who protest so vehemently that the National Labor Relations Act is sacred and that not even one of its precious semi-colons must be disturbed.

First in the line-up we find the Labor Board itself, a group of bureaucrats bitterly opposed to surrendering any part of their power.

Second in line stands the C. I. O., frantically trying at any cost to keep intact the favored treatment it now enjoys from the Labor Board.

And, finally, we find lurking in the rear, but beating the drum even louder than the rest, the Communist Party.

The American public will judge these warriors in a common cause by their motives and by the company they keep.

Income Must Increase

THE devastating consequences of failure of private industries to get into full production are disclosed in the volume "Productivity Wages and National Income," published by Brookings Institution. The study covers the years beginning with 1919 through 1938. These are the findings:

Hourly industrial earnings increased roughly 20 per cent., which in terms of purchasing power increased to over 45 per cent. Weekly earnings declined 10 per cent., but were saved by price declines from reducing purchasing power which increased 10 per cent. Annual earnings decreased 30 per cent. in dollars and 20 per cent. in purchasing power.

Just how important this decline of income for industrial wage earners is to the whole Nation is stated in these facts about industrial workers:

Forty-three per cent. of the total population is gainfully employed. Approximately one-half, or 23 per cent., are wage earners or small-salaried workers. Of these, three million are in agricultural pursuits, eight million in trade and service occupation, and 19 millions called industrial workers in manufacturing, mining, transportation and other non-agricultural industries. These industrial workers constitute 63 per cent. of all wage earners, and with their families comprise more than 30 per cent. of the total popu-

lation. This means standards of living for one-third of our population have been materially reduced in the past twenty years.

Paralleling this decline in their incomes, the productivity of these workers increased 50 per cent.; labor costs per unit of output decreased 25 per cent.; hourly wages increased, but not in proportion to productivity or enough to offset decline in man-hours of employment.

Technical progress has made a tremendous contribution to industry. Wage earners have done their part in increasing the output and lowering costs so that prices could be reduced. But on the main problem—getting industry into full production so that needs of the whole population could be supplied and all who need jobs to earn a living might have opportunity to work, remains unanswered. If only those who control the management of industries could meet with representatives of workers and technicians so that they might agree upon what to do and when to do it, we could make headway with this key problem and free ourselves from hundreds of related problems.

The problem of employment is our main issue—whether the future brings us peace or war. Our only safety lies in planning so that all may have work.

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FORT WAYNE, INDIANA

Greeting from Thomas R. Hutson

Commissioner of Labor, State of Indiana

THE Division of Labor of the State of Indiana is glad of this opportunity to again extend its greetings to the members of the Indiana State Federation of Labor, and once more call attention to the important functions performed by this one division of our state government entirely devoted to the interests of the working men and women and children of the State of Indiana.

The Division of Labor as presently organized was established on April 1, 1937, when Governor M. Clifford Townsend appointed Thomas R. Hutson, Vice-President of the Brick and Clay Workers International Union, as Commissioner of Labor.

Since then a continued effort has been made to coordinate the various bureaus within the Division, and organize and strengthen them so as to properly serve the people of our state, and thus we find the Factory Inspection Department, under the direction of William J. Curtin, Assistant Commissioner of Labor, continually expanding in its activities.

The Industrial Board, whose chief at present is Judge Charles Fox, is functioning efficiently. The Boiler Inspection Bureau, under the leadership of Anthony J. Conway, is keeping up its high standard, as is the Bureau of Women and Children, led by that veteran in the labor movement, Mary Garner, and the Bureau of Mines and Mining, under the able leadership of Fred Ferguson.

One of the very important sections of the Division under the new setup is the conciliation section, headed by Mr. Hutson, himself, and manned by an able staff of conciliators, who during the past three years have helped to bring about adjustments in over fifteen hundred cases.

In addition to all the activities mentioned above, a new function was added to the Division of Labor by the last session of the legislature, namely, the collection of wages up to one hundred dollars remaining due and unpaid to any worker in the state.

So all in all it can be seen that the Division of Labor performs a great many services of vital importance to the workers of Indiana.

It is only through whole-hearted cooperation by the officers and members of the organized labor movement that these services can be made more and more effective. We are indeed happy to be able to say that we have had such co-operation from the officers of the Indiana State Federation of Labor on down to the officers and members of the local unions affiliated with it.

We wish to express our appreciation for this cooperation and assure the working people of the State of Indiana that we will continue to conduct the work assigned by law to the Division of Labor in such a way as to be of constant aid and assistance toward the establishment of better working conditions, shorter working hours, and fair wages in the State of Indiana.

Low Pay for Some Is Menace To All

SPAKING for organized labor in behalf of state wage-hour legislation, James F. Barrett, former president of the North Carolina State Federation of Labor, told a legislative committee a number of things worth quoting. One of these was:

"We have long had to face the question of the Negro, for two reasons. First, he is a human being, and is entitled to the same wage for the same work performed that any other man is entitled to. The other reason is the old-age reason of self-preservation. We have had to elevate the wage standard of

the Negro, or see the white laborer down to the level of the Negro wage."

If employers would get as much horse sense as this labor leader showed, they would see that while the wages of any human being, black or white, are kept low, that person's purchasing power is kept low. They would see that every wage cut is a drain on the market. They would see that to fire a million relief workers, when there are no private jobs for them, is about the worst possible thing they could do to business.

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Hunting and Fishing in Indiana

HUNTING AND FISHING—healthful outdoor sports in which more than a half-million Hoosiers participate annually—have grown in popularity as a result of Indiana's conservation program during recent years.

Millions of game fish, propagated in state fish hatcheries for stocking lakes and streams, and thousands of game birds reared at state game preserves for stocking fields and woodlands, have given Indiana hunters and fishermen better sport each succeeding year. The popularity of these activities is indicated by the increased number of participants—many of whom are women. More than 50,000 feminine anglers are licensed in Indiana each year, while hundreds of them are becoming more and more proficient as hunters.

This more efficient stocking of lakes, streams, fields and woodlands is but a part of the broad program inaugurated by the Department of Conservation for wildlife in Indiana. Another major phase is the educational program seeking observance of the laws and regulations established to aid in the restoration of good hunting and fishing. This program points out the advance already made in securing the cooperation of all sportsmen interested in the preservation and the future of hunting and fishing, and invites their further support.

Unrestrained taking of game or fish, disregard for the property rights of the landowner and failure to exercise precautions in the handling of firearms and boats will do more to destroy hunting and fishing for all Hoosiers than can be off-

set by all the progress of the Department of Conservation. Indiana can never regain the conditions of a century ago when the pioneer hunted and fished through necessity that he might eat, taking his food where and when he found it. Today the angler takes to the lakes and streams and the hunter goes to the woods and field to enjoy the outdoor sport and relaxation—not forced through a necessity to obtain food.

Improved propagation of fish and game, wider observance of the hunting and fishing laws, and the coordination of other conservation activities—planting of trees, shrubs and other vegetation to provide natural food for wildlife; study of food conditions in lakes and streams for game fish; emergency feeding of wildlife during winter months; control of predators; salvaging of fish left stranded by floodwaters or by the drying up of creeks and pools—are but a few of the many factors contributing to better fishing and hunting throughout the state.

The 1940 fishing season, which began June 16, found a record-breaking number of anglers in action and taking a record number of fish. Featuring the opening of the season was the action of the Department of Conservation in removing the restrictions against fishing on four lakes built in state forests and game preserves as a part of the program to provide increased opportunities for the anglers. With the opening of these lakes, there are now a total of twenty-two lakes with a water area of over 2,000 acres, located on state parks, game preserves and forests which are stocked with fish and open for public fishing.



Left to right—Chukar Partridge, Ring-Neck Pheasant, Bobwhite Quail and Raccoon—propagated in Indiana.

Location of the twenty-two lakes, their area, type of fishing, whether from boats or bank, whether boats are available or can be used, is indicated on the following chart. Motors can

be used on boats at two of these lakes: Lake Greenwood in the Martin County Land Use Forest and Hovey Lake in the Hovey Lake State Game Preserve.

Name of Lake	Location	Acres	Fish from	Boat Livery	Private Boats	Type
Sawmill Hollow	Jackson County State Forest	8	Bank	None	None	None
Starve Hollow	Jackson County State Forest	208	Boat Bank	None	Yes**	Row Canoe
Yellowwood	Yellowwood State Forest	140	Boat Bank	None	Yes**	Row Canoe
Ferdinand	Ferdinand State Forest	46	Boat Bank	None	Yes**	Row Canoe
Bean Blossom	Morgan-Monroe State Forest	17	Bank	None	None	None
Bryant Creek	Morgan-Monroe State Forest	9	Bank	None	None	None
Bowen	Clark County State Forest	7	Bank	None	None	None
Schlamp	Clark County State Forest	18	Bank	None	None	None
Francke	Clark County State Forest	13	Bank	None	None	None
Spring Mill	Spring Mill State Park	28	Boat Bank	Yes	50c Fee	Row Canoe
Lincoln	Lincoln State Park	26	Boat Bank	Yes	50c Fee	Row Canoe
Shakamak	Shakamak State Park	52	Boat Bank	Yes	50c Fee	Row Canoe
Jason	Shakamak State Park	36	Boat Bank	Yes	50c Fee	Row Canoe
Ogle	Brown County Game Preserve	16	Bank	None	None	None
Jimmy Strahl	Brown County Game Preserve	8	Bank	None	None	None
Hovey***	Hovey Lake Game Preserve	400	Boat Bank	Yes	Yes*	Row Canoe
Scales	Scales Lake State Forest	68	Boat Bank	None	Yes*	Row Canoe
Greene-Sullivan	Greene-Sullivan State Forest	35	Boat Bank	None	Yes*	Row Canoe
Greenwood	Martin County Land Use Forest	800	Boat Bank	Yes	Yes**	Row Canoe
Kunkel	Wells County Game Preserve	28	Bank	None	None	None
Bear Creek	Yellowwood State Forest	8	Bank	None	None	None
Hominy Ridge	Salamonie State Forest	11	Bank	None	None	None

* Private boats restricted to active use, no storage; ** no charge first day, 25c fee second day; 50c fee for week's storage; *** use of motors on boats permitted.

Species of fish which can be taken only during the open season, extending from June 16 to April 30—both dates inclusive—together with bag limits and minimum lengths, are:

Species	Bag Limit	Size Inches
Bluegill	25*	5
Red-Eared Sunfish	25*	5
Crappie (Both kinds).....	25*	5
Rock Bass (Goggle-eye)	25*	5
Silver or Yellow Bass.....	6**	10
Smallmouth Black Bass.....	6**	10
Largemouth Black Bass.....	6**	10
Kentucky Bass	6**	10
White or Striped Bass.....	6**	10
Pike-Perch (Wall-eye).....	6	10
Pipe or Pickerel.....	6	None
Yellow Perch	None	None

*Means bag limit of 25 in the aggregate of bluegills, red-eared sunfish, crappie and rock bass combined.

**Means bag limit of 6 in the aggregate of largemouth, smallmouth, silver or yellow, white or striped and Kentucky bass combined.

Other regulations which should be understood by the anglers include:

Possession limit is two day's lawful catch.

It is unlawful:

To fish without a license except: Children under 18; owners of farmlands and the spouse and children living with them who are residents of Indiana, and tenants of farmlands and the spouse and children living with them, in waters on such farms only.

To buy, sell or serve as part of a meal at any restaurant or hotel any largemouth bass, smallmouth bass, Kentucky bass, silver or yellow bass, white or striped bass, bluegill, red-eared sunfish, crappie or rock bass.

To fish or operate a motorboat in areas designated as fish spawning grounds.

To set a trot-line within 50 yards of any dam; to use a trot-line in a lake, except a trot-line having not more than fifty hooks of $\frac{1}{2}$ inch from point to shank or larger and baited with bait other than minnows, fish or crayfish, with the bait sunk to a depth of five feet or more and used between sunset and sunrise; to use a trot-line having more than fifty hooks or hooks less than $\frac{1}{2}$ inch from point to shank in any stream except the

Wabash River where it forms the boundary between Indiana and Illinois. It is also unlawful to use more than one trot-line.

To possess any seine, dip-net, pound-net, or any other kind of fishing net, or any spear, gig or fish trap.

To use any hook and line attached to any floating device, except a cork or bobber attached to a pole and line that is attended.

To fish on the lands of another without permission.

Licenses may be secured from county clerks and designated agents in all counties. A resident fishing license good during the calendar year and entitling the holder to hunt and trap is \$1.50; a special license for resident women, good for fishing only during the calendar year, is 50c; a non-resident license, good for fishing only during the calendar year, is \$2.25, and a non-resident license, for fishing only during a 14-day period, is \$1.00.

Bag limits and other general regulations governing hunting in Indiana for the 1940 season include:

Species	Open Season (Both Dates inclusive)	Possession Bag at Limit	One Time
Quail	Nov. 10 to Dec. 20	10	30*
Hungarian Partridge	Nov. 10 to Dec. 20	5	10**
Pheasants	Established by Director. (Inquire County Clerk.)		
Prairie Chicken	Unlawful to kill until Oct. 15, 1942.		
Wild Turkeys			
Ruffed Grouse			
Chukar Partridge			
Doves			
Migratory birds, shorebirds and waterfowl	Open season and bag limits same as Federal regulations for Indiana.		
	*Three days lawful hunting.		
	**Two days lawful hunting.		
Rabbits	Nov. 10 to Jan. 10	10	20
	Southern Zone . . .		
	Aug. 10 to Oct. 31	8	5
Grey or Fox Squirrel	Northern Zone . . .		
	Sept. 2 to Oct. 31		
Black Squirrel and Flying Squirrel	Unlawful to kill at any time.		
Red Fox	Open until Jan. 15, 1941.		
Grey Fox	Open all year.		

Men and women fish from the banks at many of the parks.

It is unlawful:

To hunt, shoot, take, trap or pursue wild animals without a license, except owners of farm lands who are residents of Indiana, and their children and spouse living with them and tenants of farm lands, their children and spouse living with them on such lands.

To take, kill, possess, or molest any beaver, or its untanned hide; to destroy a beaver den, dam, or burrow; to sell or buy a beaver or its untanned hide. (Beavers damaging property should be reported to the Director and such beavers will be removed.)

To possess or transport more than 20 rabbits at one time.

To hunt, shoot, or kill any fox or grey squirrel except during season established by the Director; to sell or to buy a fox or grey squirrel; to hunt or kill fox or grey squirrels in a public park; to hunt or kill black squirrel or flying squirrel at any time.

To dislodge or attempt to dislodge any raccoon from its nest or den; to catch any raccoon by means of any trap, snare, or deadfall within five feet of the opening of a tile drain of eight inches or larger; to set a trap closer than five feet to the opening of any tile drain of eight inches or larger.

To injure or destroy a muskrat house.

To hunt with or catch game by means of a ferret or any mechanical device used to frighten game from their holes, or use any other small animal in similar manner that ferrets are used; to possess a live fitch or a ferret without a license.

To shoot game birds or animals along, upon, or across any public highway.

To hunt or shoot rabbits with or by means of an artificial light.



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KENDALLVILLE, INDIANA

Organization

By HUGH J. GORMLEY, *Indiana Representative* of the American Federation of Labor

ORGANIZED labor, under the American Federation of Labor, has advanced far since its beginning over a half century ago, both in its numerical strength and ability to have working conditions improved, working hours shortened and wages increased in order that we may enjoy our present high standards of living. Through the efforts of the American Federation of Labor a greater purchasing power has been given to its members, and greater prosperity has come to the community in which they reside.

In 1935, we in the United States launched a plan to provide some degree of security for workers accustomed to look to industries for a chance to earn their livelihood, but subject to hazards of unemployment over which they have no control. The unemployment compensation provisions of the Social Security Act were frankly a compromise, beginning with 3 per cent. instead of with the 5 per cent. rate of contributions to be paid by employers, which the technicians, studying the problem, deemed necessary to adequate standards. This Federal law was supplemented by state law specifying the benefit standards determining the amounts to be paid to unemployed persons eligible under the state laws. These benefit standards were as equally a compromise as the 3 per cent. contribution rate. Without experience it was impossible to know whether standards could be made really adequate without bankrupting the funds.

Experience up to date shows that our calculations upon rate were better than upon the benefit structure. In practically every state, reserve funds have accumulated greatly in excess of use, while the benefits which provide a pitiful pretense of security are paid after a long waiting period that exhausts savings, and, in far too few cases, continue until the unemployed persons are able to find employment.

The money is available in practically every state to pay adequate benefits promptly, with a maximum waiting period of one week, and for a period that will enable the worker to find a new job in normal times. The duration should be the same for all eligible workers.

The benefits themselves should be related to full-time earnings with a minimum below which they should not be allowed to fall, and a maxi-

mum excluding proportions which fall outside of the purpose of unemployment compensation.

Unemployment compensation can take care only of persons genuinely attached to some industry as evidenced by an employment standard, and provide a portion of normal income for a limited time. Unlimited insurance cannot be financed. The standards approved by the American Federation of Labor are 60 per cent. of full-time earnings, one week waiting time and twenty weeks' duration. To assure these standards in all states, we propose a Federal reinsurance fund. These standards, which would constitute real security, should be provided nationally before any tax reduction should be considered—whether in the form of tax reduction or so-called experience rating. Federal standards and rates are necessary to prevent unfair regional competition based on differentials in standards.

Congress should act promptly with understanding of the real issue. The American Federation of Labor threw its entire support behind this unemployment compensation law, and it will now wholeheartedly support the raising of the compensation and the longer duration of the time it is to be received by the one being compensated.

The American Federation of Labor supported the Old Age Pension Act which pays an amount monthly to those reaching the age of 65. We never know when a law is passed whether it is in its best form or not until it has been in use, then we can see its flaws. We now find that the age limit of the Social Security Old Age benefits should be lowered, since industry is confining itself to the employment of men in the lower age, notwithstanding the fact that a thorough investigation was made and a report of that investigation given to the Eleventh International Congress of Actuaries in Paris, June 17 to 24, 1937, which showed the accident rate in different ages covering mainly male workers in industry, transportation and building undertakings. On the basis of this assumption, figures were compiled showing the number of accidents by age groups and the frequency of accidents on the basis of work exposure. Other compilations show the average duration of temporary incapacity and of medical treatment of age groups

in the case of injured workers, the average earnings, percentage of accidents resulting in incapacity or death by age groups and the net cost of insurance premiums required to cover the risk.

Except in the case of the youngest workers, those under the age of 19 years, the tables with respect to accident frequency show a steady decline of accidents with age, accident frequency tending to fall in direct proportion to increasing years.

The highest accident frequency was seen in the age groups 20 to 24 years and 25 to 29 years, the ratio for these groups being 216 and 218 respectively per thousand years of life exposure to accident risks. As years increased, the accident frequency dropped until those near and at the age of 65 were less than one-half. Different reasons may be given for this, as in the case of the youngest age group the lower accident rate is presumably due to the fact that such workers by law and custom are excluded from hazardous employment. Likewise those in the higher age group by reason of their age and consequent physical conditions are restricted to employment where there is less accident hazard. With all of these taken into account, however, there still apparently remains other reasons to explain the steady decrease in accident frequency with age. It would seem logical to ascribe part of this cause to greater prudence and experience on the part of the older workers. These characteristics more than offset the slower reaction of such workers due to their lessened mobility and perception. The fact that the youngest age, those under 19 years, despite the safeguards placed around them by law, have the fourth highest accident frequency rate would indicate that youth and inexperience are prominent factors in industrial accidents. Therefore, the less accident frequency in the older group would also indicate that age and experience prevent accidents and there would appear to be little basis for discrimination against the employment of older workers on the ground of added compensation expense. But since this condition exists, we must cope with it and pass laws that will protect the man or woman who reaches the unemployable age. It is my contention that if an employee has given the best of his life serving industry, then, when he no longer is able to serve that industry, he should be compensated adequately in order that he may maintain his standard of living, and not have to "go over the hills to the poor house" to keep his body together.

The American Federation of Labor gave its support to the compulsory education law, thus giving every child in the United States the equal opportunity to receive an education to fit him for the life he or she is to follow when he or she grows to manhood or womanhood. Included in the American Federation of Labor's program on education was free schools and free text books. As a result of this law we find the sons and daughters of our members who work in mills, railroads, building trades and every other branch wherein an employee depends on his wages for the upkeep of he and his family, attending high schools and colleges throughout the country. This in turn gives employment to many instructors, placing more money into circulation in the community wherein they live.

The American Federation of Labor has always fought for a living wage for employees. A living wage as the American Federation of Labor sees it is not just a wage to provide food, clothing and shelter together with essential spiritual and cultural needs without the necessity of the wife and mother supplementing the bread-winners' earnings, but it should also be large enough for an adequate saving. The withholding of just and reasonable wages from the workingman has injured him directly and immediately, but it has also injured the common good and the interests of the very owners of property. Unless workingmen as a class have sufficient income to purchase their share of goods which our economic system is capable of producing, the markets will automatically be closed to the sale of goods, and idle factories and unemployment are the disastrous result.

If our social order is to proceed with consistent regard for Christian morals and sound economic principles, there must be a reform of morals and profound renewal of the Christian spirit which must precede the social reconstruction. The church, regardless of its creed, is doing everything possible for our spiritual and moral life. It is up to Labor Unions to be responsible for labor, and the employers must be responsible for trade associations. If all three would meet with and respect the competence of the organizations in their respective fields, we would look forward to the evolution of a sound social order.

If we are to continue to enjoy our happiness and freedom as Americans and continue our democratic form of government, then we must abide by the teachings of our maker, which is also one of the principles of the American Federation of Labor, that is, "Live, let live and help

live." This principle is not confined to the workers, but also to industry, which, after all, we must have with us if we are to have Labor—one depends on the other. It is by cooperation of industry and labor that the best possible benefits can be secured for all.

At the moment our newspapers and radios are constantly giving us news of the dreadful warring conditions between nations in Europe, and it is now more than ever that we realize how fortunate we are to be able to be citizens of United States. There is also much talk about labor war and labor peace in this country of ours. Peace between nations or groups rests upon the advancement of common interests and mutual confidence. Peace does not result from arbitrary orders, but it grows out of good-will engendered by sincerity in action and proposal. Negotiations are always in order. Negotiations involve determining how and on what basis the points in dispute shall be settled.

No person who cares for the welfare of the American labor movement would needlessly prolong the present civil war. The American Federation of Labor has expressed its willingness to negotiate through its committee created at the request of the President of the United States. Obviously, the fundamental problem which such negotiating committees would have to meet is a practical way of uniting opposing Unions in the

same jurisdiction. The basis for planning is necessarily Union books or certified records showing the number of dues-paying members in various occupations and industries. This information is equally essential to enable any delegate conference to function. Voting strength should be determined by validity to represent. Negotiations on any other basis would be fruitless. Honesty in proposing and entering upon negotiations is essential to that confidence which makes representatives willing to propose and accept compromises. Peace cannot come until the issues are settled equitably and with consideration of the interests and rights of all concerned. If the man responsible for the secession movement which involved this Nation in a labor war has the sincerity and courage to notify the President of the United States that the committee of his organization is ready to continue negotiations with the committee of the American Federation of Labor, the way will be open to negotiate peace. There is no question but that the division in the ranks of labor endangers our progress. Serious as this is in time of peace, it looms ominously against a background of war. We urge even those who have a personal advantage from the split of labor's ranks to forego personal advancement and gain, and to join with those who have the welfare of labor at heart in a sincere effort for lasting peace.

Do It Now!

How many times we have heard the admonition of the professional burr-placers . . . "Do It Now"!

Maybe it is all right, as far as it goes; however, we heard about one young executive who got all "hipped-up" over the "Do It Now" psychology . . . it seems he had been reading one of those pep books.

So, he dashed to his printer and had 100 posters struck off in big, boldface type . . . "Do It Now." The next morning he came down to the office, an hour early, and posted them all over the place.

The effect was electrical—almost magic! The shipping clerk took one look and eloped with the president's daughter. The treasurer immediately "eloped" with the firm's cash. The purchasing agent pulled out a .45 and dropped the first salesman of the day in his tracks.

And Jim, the office boy, . . . that was just what he'd been waiting for! With a shout of glee, he pulled the stopper out of the red ink bottle and fired bottle and contents full-force into the whirling blades of the electric fan.

"Do It Now"? Hm-m, we wonder!

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INCREASING CONFIDENCE

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Not only is it incumbent on the *Hook Drug Stores* to maintain the standards of dependability which are winning and holding the good will of Indiana patrons but it must Improve and Advance Them.

HOOK'S DEPENDABLE DRUG STORES

Labor on the March

By GEORGE MEANY, *Secretary-Treasurer*, American Federation of Labor

THE American Federation of Labor is a constructive force for good in our Nation. It is a vast organization, composed of more than four and a quarter million working men and women and their families. Its influence is felt in every home, in every community, in every state and in the affairs of the country as a whole.

Primarily, the American Federation of Labor is an economic organization. It seeks to obtain higher wages, shorter hours and better working conditions for American workers. Its record of progress in this respect is so impressive that it scarcely needs to be recounted in detail.

But a few facts should be pointed out. Sixty years ago, when the American Federation of Labor first came into being, the average American worker toiled 63 hours a week for an average wage of \$10.70. This was barely enough to provide food for his family and a place to live. Decent housing, proper food, adequate medical care and full educational opportunities were denied to the great majority of children in workers' families.

It pays to look back this way if only to appreciate the progress workers have achieved through organization into Trade Unions affiliated with the American Federation of Labor. Today the average working man who holds a Union card in the American Federation of Labor earns \$40.50 a week for a forty-hour week. He can afford to live in a comfortable home, buy wholesome food for his family and send his children to school. He can enjoy a measure of leisure and employ his spare time in self-improvement and in the affairs of his community. In short, he can be a better citizen.

Thus, through years of patient organization, ceaseless struggle and collective bargaining, the American Federation of Labor has made a great contribution toward lifting the American standard of living to its present high level, which is the envy of every other country in the world. The efforts of the American Federation of Labor have helped not only its own members but unorganized workers as well. Industry and the farmers likewise have benefited, because the money paid out in wages to the workers of our country each week is spent each week for the products of farm and factory. But today there

is no greater consumer market in the world than the purchases of American workers.

But the American Federation of Labor has not restricted its activities to the economic field. Long ago its leaders realized that government in a democracy owed an obligation to its citizens to set minimum standards for their welfare. And so the American Federation of Labor undertook a long and relentless campaign for the enactment of social justice legislation by the State Legislatures and by Congress.

Sixty years ago, before this legislative program was inaugurated, most factories were sweatshops. Men, women and children were forced to work intolerably long hours in dark, airless, disease-breeding fire-traps under the watchful eye of a boss who could fire and blacklist workers at will. Thousands of workers were crippled by industrial accidents and discarded without compensation. Anyone who dared to join a Union could be fired on the spot. The poorhouse was a real and ever-present threat.

Today, through the unremitting efforts of the American Federation of Labor and the awakening social conscience of the American people, all that has changed. It took many bitter years of education and agitation before factory inspection laws were adopted and industrial sweatshops abolished. It took many weary years of campaigning before Congress and the State Legislatures finally enacted protective laws for workers. Now, at last, the American worker enjoys a measure of social security. Workmen's compensation laws insure him against accident. Unemployment compensation and old-age pensions are provided for under the Social Security Act. No longer can a worker be discharged just because he joins a Union. The National Labor Relations Act protects him from that. And the same statutory law gives the sanction of our government to the natural law that workers have the right to organize to promote their interests.

Despite all of these gains, the task of the American Federation of Labor is far from completed. Much of this social justice legislation is experimental and pioneering. Mistakes have occurred, faults in administration have been exposed. It is the purpose of the American Fed-

eration of Labor to have such laws and mistakes corrected by revision of these laws until they operate on a sound and workable basis.

Through all these years of endeavor, the American Federation of Labor has been guided by the high principles on which it was founded. It has not and it will not compromise with these principles for the sake of expediency or any immediate advantage. Therein lies its greatest strength.

The outstanding principle which forms the bedrock of the American Federation of Labor is its devotion to American ideals of democracy, freedom and justice.

Perhaps the most important contribution that the American Federation of Labor has made towards raising and maintaining the quality and character of American life, towards making our country the finest place on earth in which to work and in which to live, has been its increasing, uncompromising and unremitting fight to keep clear of any social, political or economic theories that run contrary to and would tend to weaken or destroy our American system.

The basic principles of Americanism are freedom of association and assemblage, freedom of the press, freedom of religious worship and freedom of men to express themselves according to the dictates of their own conscience. Without these freedoms, which are inherent in a democracy, labor knows only too well that any illusions or promises of social and economic betterment are meaningless and worthless.

The American Federation of Labor has from the beginning been just as vigorously opposed to Communism as it has been opposed to the Fascist or Nazi theories or philosophies. We have never been able to distinguish between a dictatorship under Nazism, and a dictatorship under Communism or Fascism. All have been to us equally reprehensible, equally detrimental from an economic standpoint and equally destructive of the cherished freedoms which are basic and fundamental in our form of government.

Communism represented more than a mere distant theory to the American Federation of

Labor. It was a direct challenge and threat. For the Communist Internationale, operating from headquarters in Moscow, directed the party leaders in this country to attempt to worm their way into positions of control in the American labor movement. If this could have been accomplished, if the Communists had been able to seize domination over the American Federation of Labor, they planned to organize not Unions, but revolution. But the American Federation of Labor stopped the Communists in their tracks. We resisted their invasion of our movement with such promptness and thoroughness that they were forced to turn elsewhere. For this accomplishment, the American Federation of Labor deserves the thanks of the Nation.

Furthermore, the American Federation of Labor not only preaches democracy, but practices it. The underlying principle in its organizational structure is voluntarism. In other words, the American Federation of Labor is a voluntary association of free and independent Unions. The Federation has no power of compulsion. Its laws and policies are adopted by majority vote of delegates from all affiliated Unions at annual conventions. They become effective solely through the consent of the governed, whose representatives make the laws. That is democracy in action.

Experience also has taught us that the Trade Union movement to be successful must have the sympathetic understanding and support of the American people. The American Federation of Labor enjoys the confidence and support of the American people.

Common sense tells us that we can retain that confidence and support only by acting in accordance with American principles and ideals. This the American Federation of Labor will do. The record is the best evidence of the integrity of our purpose. In the years to come the American Federation of Labor will continue to deserve the respect of the American people and entrench itself in their hearts as an enduring institution devoted to the best interests of our country and its workers.

Exclusive

"Stand up!" shouted the colored evangelist, "if you want to go to heaven."

Everybody got up but one old man.

"Don't you want to go to heaven, my brother?" shouted the preacher, loudly.

"Sho," said the old man, "but Ah a'n't going with no excursion!"

Accident and Crime Prevention on the Highways

By INDIANA STATE POLICE DEPARTMENT

IN 1939, the Indiana State Police Department reviewed the cases undertaken by its troopers and detectives, upon which convictions had been obtained that year, and selected two, one in the field of traffic and another in the field of crime, as outstandingly representative of the work of the department. The first case, a hit-and-run accident, is herein related, followed by the second, which for some time was an unsolved murder mystery.

Perplexing hit-and-run cases in which innocent persons are left to die on the highway by an irresponsible accident participant, afraid to face the consequences, call for every resource of the state trooper and his department. One of the most striking illustrations of this kind occurred on April 24, 1938, on State Road 29, one-half mile south of Burlington, Indiana.

A driving rainstorm pelted on car windshields, obscuring the vision except for a few feet ahead. A motorist, proceeding cautiously along the dark, water-soaked highways suddenly noted a demolished car directly ahead of him, and swerved abruptly just in time to avoid striking it. Shocked and surprised, the motorist parked his car and dashed back with a flashlight to warn oncoming traffic of the unlighted wreckage. He discovered three badly injured men lying on the pavement. When help came he called an ambulance and the state police post at West Lafayette. Two troopers were quickly dispatched to the scene to investigate.

On the scene the troopers were handicapped by the adverse circumstances. The steady rain had obliterated the skid marks. No one, save those involved, had witnessed the accident. Another car was apparently involved, but could not be found. All three men were unconscious and one was dying.

The officer collected every bit of evidence relative to the accident, consisting of clearance lights, broken glass, angle irons, wood splinters, straw litter, saw mill shavings, boards and a small deposit of blue paint left on the wrecked car by the hit-and-run vehicle.

At the hospital later the officers found one of their witnesses dead, and a second regained con-

sciousness with absolutely no recollection of the accident. A radio blockade had been ordered on State Road 29 as soon as the two troopers had completed a preliminary survey of the accident. But the blockade failed to discover any partially wrecked car or a truck missing the parts found at the scene. The officers concluded that the truck did not travel far on that road after leaving the accident.

The straw litter collected from the point of collision indicated that the hit-and-run vehicle must have been a stock truck. The blue paint and the splinters of wood of the board found at the accident scene indicated that the stock rack of the truck was painted blue. The troopers canvassed the neighborhood, following the prescribed hit-and-run procedure, questioning all farmers in the community for information regarding the accident or a blue stock truck.

Technicians analyzed the sample of litter found on the pavement and determined that it was from a truck which had recently contained hogs. Stock yards and sale barns north of Indianapolis were checked for information concerning a blue truck. The investigation was extended to gasoline service stations, garages and restaurants. Some filling station might have supplied such a truck with gas, or a garage might have repaired it. Truck operators in neighboring towns were questioned with little success. A state police detective visited the saw mills and woodworking plants in the vicinity and compared the wood-shavings of these plants with those found on the pavement. The sheriffs of two counties joined in the search.

Days elapsed before a blue stock truck was reported on a farm near Bringhurst. No one was at home on the farm when the officers checked it, so they went to a neighboring farm where the owner's brother lived. As the officers approached the place they noted a truck parked in the driveway of the barn. The brother intercepted the officers before they reached the barn and refused to allow them to inspect the truck. However, the troopers perceived a man critically watching them from the barn, whom they identified as the suspect. Finally the brother acquiesced to the troopers' request to inspect the

truck, so they entered the barn and found a blue 1935 Ford stock truck which proved to be the property of the man reported to have owned such a vehicle.

Repairs in progress on the truck convinced the officers that their search had ended. A brother-in-law of the truck owner was working on the truck at this time. After questioning him concerning the accident, he admitted having been the driver at the time of the fatal hit-and-run, but advised that the truck owner had ordered him not to stop. The brother-in-law and the owner were arrested, but the brother on whose property the truck was found was not held. In custody, both of the participants admitted being involved in the accident, but insisted they had no realization of the severity of the case until the following day, and that excitement and fear had prevented them from reporting it.

The officers learned of a third occupant of the truck living in Young America, Indiana, who related that the truck owner had employed a motorist to pull the truck out of the ditch after the accident. This motorist was located several days later and proved a valuable witness to the state. On May 22, 1939, both men were found guilty on a charge of "Failure to render assistance to injured parties at the scene of an accident," and were fined and sentenced to the Pendleton Reformatory for a short term.

A maze of objects that might have been overlooked, simply because they are common to most accidents, were built up to an eminently successful case. It demonstrated the value of preserving the smallest bit of pertinent material, and of pursuing every possible lead over a wide area. During the investigation, troopers secured the cooperation of local police, sheriffs, deputy sheriffs, truck drivers, service station operators, chemists, farmers near the accident scene, saw mill operators, stockyard employees, sale barn employees and their agencies. By tirelessly investigating every possible clue and discarding those that proved fruitless, the troopers eventually achieved success and convicted two individuals whose carelessness and criminal negligence was responsible for the death of another innocent hit-and-run victim.

Following is the detective case said to be the most striking solution in 1939:

At 12:00 noon, July 18, 1938, two men reported to Abilene, Kansas, authorities the finding of the body of a man on a lonely road near Junction City, Kansas. Upon investigation, Abi-

lene officers found that the body was that of Clyde Boyd, of Petersburg, Pike County, Indiana, and that according to existing circumstances the cause of death was suicide, there being no evidence to indicate otherwise at the scene.

Back in Petersburg, however, officials were inclined to doubt the suicide theory, and requested that personal investigation of the case be made by State Police detectives. Accordingly, a detective of the Jasper Post, Indiana State Police, was directed to proceed to Abilene and begin a thorough investigation of the entire matter. Upon arriving at Abilene, the detective proceeded to make a methodical search at the actual death scene for any single bit of information or evidence which might tend to throw some light on the inquiry. Failing to locate any tangible clue, he centered his attentions upon questioning all of the residents of that vicinity, endeavoring to learn of any single point which might prove the thread for which he was searching.

Finally he came upon one man who recalled that on the day of the finding of the body, he had seen a man come from a hedge which ran along a field adjoining his own property. Further, this information stated that the man had the appearance of a transient.

Having been schooled through long months of training to take instant advantage of every slight bit of information and follow it until it ran out or proved of value, the detective immediately seized upon this recollection as the starting point for his investigation. With the assistance of local authorities he obtained a file of all parolees from Kansas institutions, and with the photographs of these men he again visited the man who had started this ball rolling. Carefully the man studied the photos, then without a moment's hesitation identified one of the pictures as that of the transient whom he had seen near the hedge on the day Boyd was found dead.

Checking this photograph, he learned that it was of Robert Cathey, who was at that time on parole from a sentence for murder. It was further established that Cathey had had occasion to pass the spot at which the body had been found, and that he had at that time been traveling in the company of one Charles Kerns, another parolee. Further complicating the matter was the fact that it had been these two men who had reported the "finding" of the body of Clyde Boyd on July 18.

Having thus established the beginning of that

"thread" from which he hoped to weave the fabric of his case, he proceeded to move at top speed with his further investigation. At this time a captain of the Kansas State Highway Patrol, who was assisting in the investigation, learned that Robert Cathey had changed a \$20 bill at a grocery in Abilene on the day after the finding of the body of Boyd.

The detective asked that Cathey be picked up, and, in the presence of authorities and a court reporter, questioned him in connection with the case. After about an hour of this questioning the detective suddenly drew the \$20 bill from his own pocket and confronted Cathey with it, together with the statement that he believed Cathey had robbed Boyd.

Cathey vigorously denied the charge, but suddenly reversed his statements and admitted that he and Kerns had robbed the victim, but denied having killed him. He further stated, however, that at the time of the robbery he had found a .25 caliber Savage automatic beside the body and that he had taken this weapon to a point five or six miles from the scene and had thrown it into a ditch. After an extensive search, this gun was recovered, together with a pocketbook and several papers which had belonged to Boyd.

When Charles Kerns was in turn confronted with Cathey's confession, he, too, readily admitted the robbery and, like Cathey, signed a confession of that crime.

The officers still lacked proof, however, of the fact that Boyd's death was not suicide, and the state detective, now sure of the fact that

something was wrong with that theory, returned to Indiana and asked permission to have the body of the deceased disinterred. The autopsy, performed at Petersburg, revealed that death had been caused by the penetration of a .25 caliber bullet into the head, but that also the victim had been suffering from several fractures produced apparently by the blows of some bludgeon or club.

Armed with this data, he returned to Kansas and began a re-examination of the confessed robbers. After nine hours of questioning, Cathey confessed to having "put the cracks" in Boyd's head, but intimated that the death bullet had been fired by Kerns. Before Cathey was lodged in the Dickson County jail and formally charged with the first degree murder of Clyde Boyd, he attempted to take his own life by using a razor to slash his throat, but the attempt was frustrated.

Authorities then installed dictaphone equipment in a jail cell and put the two men together in the cell. While thus closeted together, conversations between Kerns and Cathey disclosed, as they were recorded, the fact that not only had the two men robbed Boyd, but that they had murdered him as well.

Indicted for first degree murder, the trial of Cathey and Kerns opened before Judge C. M. Clark on January 5, 1939, and the jury retired but eight hours when it returned a verdict of guilty of murder in the first degree. Judge Clark then immediately sentenced Kerns and Cathey to life imprisonment in the Kansas State Prison.

Tree-Breathed Raccoons

M R. FERGUSON's story about the watch keeping time in the gills of a trout for a year pulled the cork. If I did not know that the Roaring River country is so full of ticks, I would think his tale hard to believe.

Well, here's another yarn. I. G. Schmidt and I were spending a week on Ben Watts' farm near Milton, Pike County, Ill., hunting rabbits and quail. On the night of the third day we were playing pinochle when Ben's collie dog barked. We dashed outside and found he had an opossum, which we bagged. This suggested a 'coon hunt.

Our host called a neighbor and invited him to bring his 'coon dog and go for a chase. We shook out three 'possums the first hour. Then the old dog hit a trail and we sat down to wait. In about a half hour we heard him bark again. We found him at the foot of a squat tree, the few limbs of which afforded no hiding place. No raccoons! We cussed the dog for a liar! By the light of my flashlight I noticed the tree seemed to move—then, I spotted a crack about 15 feet up that was opening and closing slowly. The tree was so full of 'coons that every time they breathed the crack opened and closed. We got 18 'coons out of that tree."

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Public Welfare in Indiana

By THURMAN A. GOTTSCHALK, *Administrator, State Department of Public Welfare*

THE Indiana Public Welfare program represents an effort on the part of the whole people to provide a measure of economic protection against some of the major hazards of modern life. It is a concrete example of the democratic principle that through cooperative action, people are able to do many things which they are unable to do through individual efforts or individual resources.

The Department of Public Welfare is not, of course, the only agency in Indiana engaged in social welfare and security work. Because of the tremendous size of the social welfare problem, a number of different agencies have been created by the Federal, state and local governments to deal with various phases of it. Many of these agencies are quite young. The Department of Public Welfare celebrated its fourth anniversary in March of 1940. Throughout these four years the Department of Public Welfare has made a special effort to inform the public of its work, to explain clearly its responsibilities under the law and to report how those responsibilities are being met.

For this reason, the Department welcomes this opportunity to present in the Yearbook of the State Federation of Labor a brief account of the present status of public welfare in Indiana.

Public welfare is a locally administered program in Indiana. Each county has its own department, presided over by a non-partisan board of five members who are appointed by the judge of the Circuit Court. County welfare directors and all staff members are selected on the basis of merit examinations. The State Department of Public Welfare acts in an advisory and supervisory relation to the 92 county departments in order to insure efficient and uniform standards of administration throughout the state, as required by the Federal Social Security Act.

Probably best known of the work of the Welfare Department is the old age assistance program. Under the terms of the Welfare Act of 1936, old age assistance is granted to persons in amounts based on individual needs who meet the following requirements:

- (1) Is 65 years old or over;
- (2) Is a citizen of the United States;

(3) Has not sufficient income or other resources to support himself;

(4) Has resided in the state for at least five out of the last nine years, the last year of which must have been continuous;

(5) Is not an inmate of a municipal, state or national institution, although any inmate may receive assistance if he leave such institution and is otherwise eligible;

(6) Has not transferred any property within five years prior to application in order to qualify for assistance.

Old age assistance is not in any sense a pension. One of the essential eligibility requirements is that the applicant be in need. Any person who has assets or resources sufficient to support himself is not eligible. The Welfare Act also specifically provides that nothing contained in the act shall be construed to relieve any person from the liability of maintaining or supporting his parent or parents or child or spouse as provided by law. If an elderly person has legally responsible relatives who are able to contribute to his support, they are still required by law to do so.

Under this program approximately 66,000 persons over the age of 65 are receiving monthly cash assistance from their County Welfare Department. During the past six months the number of recipients of old age assistance has about stabilized at this figure after four years of almost uninterrupted increases. Barring major economic shifts, no great change from the present figure is expected.

Since individual awards are based on needs, they may range from one dollar to thirty dollars a month, which is the maximum under Indiana law. County welfare visitors are required to investigate each application for old age assistance to make sure that all eligibility requirements are met. This investigation includes complete material on the needs and resources of the individual applicant. If the applicant is able to provide from his own resources a part of his living needs, his award is made on that basis. For example, an applicant who is provided a place to live, rent free (with a relative or friend), does not receive so high a reward as the applicant who must pay rent.

At the present time awards average a little less than \$18 per month. Modest as this amount may seem to be, it still has spelled the difference between abject poverty and a degree of security for these thousands of people who have reached their unproductive years without resources sufficient to keep them. During the 1939 fiscal year, Indiana granted a total of approximately \$10,000,000 in old age assistance.

The Federal Government contributes one-half of each award; the state pays 30 per cent., and the county government bears the remaining 20 per cent. In this way the cost of the program is spread over several taxing units, and persons who reside in poorer communities are assured of assistance comparable to that granted by wealthier counties.

In substance, a grant of old age assistance is a loan. An applicant who owns the home in which he lives may still receive assistance, but the amount granted becomes a claim against his property, although this claim cannot be enforced so long as the recipient lives and resides in the property. In addition, should the recipient die, a surviving spouse is permitted by law to reside in the property and the claim cannot be enforced during his or her lifetime or during the time he or she lives in the property.

Similar to the old age assistance program is a provision of the Welfare Act and the Social Security Act for the payment of monthly cash assistance to the needy blind. Some 2,500 blind persons are being aided in this way. In addition, 350 others have received eye treatments to restore or stabilize vision.

Necessary and proper as old age assistance is, the Department of Public Welfare looks to its work with children to produce the greatest good. Old age assistance is one of society's ways of paying for the mistakes and misfortunes of the past. But child welfare work enters the field of prevention. By giving proper attention to the needs of today's children we hope to avoid in the future many of the social ills which beset our present world.

Over and over it has been affirmed that the home is the foundation stone of our American civilization. But there are many forces in the world which tend to break up families, to deprive children of the opportunity and the right to grow up in a good home environment. Perhaps the principal cause of disrupted homes is the loss of the breadwinner—through death, divorce, physical or mental incapacity or other cause. When a home is broken, its adult mem-

bers are usually able to shift for themselves, while the children suffer the greatest harm.

In order to provide economic security for these thousands of children who have been deprived of the support of a parent, the Federal Social Security Act and the Indiana Welfare Act established a program of aid to dependent children. In Indiana some 35,000 children in 17,000 homes are receiving monthly cash assistance from their County Welfare Department under this program. Dependent child aid, which, like old age assistance, varies with individual needs, averages about \$28.00 per family, or \$13.60 per child.

A dependent child is defined as a "needy child under the age of sixteen years, who has been deprived of parental support or care by reason of the death, continued absence from the home (one year or more), or physical or mental incapacity of a parent, and whose relatives, liable under the law for his support, are not able to provide adequate care or support for such child without public assistance, and who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, adoptive father, adoptive mother, adoptive brother, adoptive sister, brother of the half blood, sister of the half blood, or aunt or uncle of the half blood (but not by marriage), in a place of residence maintained by one or more of such relatives as his or their own home."

As in the case of old age assistance, the cost of this aid for dependent children is shared by the Federal, state and county governments.

Assistance is granted to a dependent child who meets the following eligibility requirements:

(1) Has resided in the state for a period of at least one year immediately preceding the date of the application for such assistance, or was born within the state within one year immediately preceding the date of application for such assistance, or was born within the state within one year immediately preceding the date of application, and whose mother has resided in the state for a period of at least one year immediately preceding the birth of such child;

(2) Is living in a suitable family home conforming to the standards of care and health fixed by the laws of this state and the rules and regulations of the State Department.

In addition to this aid to dependent children program, which has enabled 35,000 children to remain in their own homes under the supervision of their mother or other close relative, the State

and County Departments of Public Welfare are engaged in other activities on behalf of children.

It is estimated that there are above 10,000 crippled children in Indiana. Because the correction of crippling defects is frequently an expensive undertaking, beyond the financial capacity of many families, the Federal Social Security Act included special provisions for needy crippled children, and the Indiana Welfare Act established a Division of Services for Crippled Children in the State Welfare Department to aid in administering this program.

Last year more than 2,000 children received needed medical, surgical and nursing service under this program. Three hospital centers—at Indianapolis, South Bend and Fort Wayne—are cooperating with the Welfare Department in providing both hospital care and clinic service. Applications for services for crippled children are also made directly to the County Department of Public Welfare, and a social investigation to establish need must precede approval of the application.

In addition, there are some 11,000 children classified as child welfare cases. These include children in institutions, children in foster and adoptive homes, children with special behavior problems and others who, for one reason or another, need special care or service. In this group we find the orphan, the delinquent child, the child who is neglected or abandoned by his parents, the child who presents special problems in school or in the community. For each, county welfare workers attempt to find the type of care and supervision needed, bearing always in mind the principle of the Children's Charter: "For every child a home and that love and security which a home provides; and for that child who must receive foster care, the nearest substitute for his own home."

Cooperating with the Children's Division in this work is the Division of Medical Care, which is given the responsibility of developing a mental hygiene program for Indiana. Fourteen mental hygiene clinics are now conducted in as many Indiana cities, usually meeting twice each month to examine, diagnose and prescribe treatment for children and adults who are in need of this type of service. This division also supervises medical and nursing services provided by state institutions for the mentally ill.

The Indiana mental hygiene program has three principal objectives: (1) Education of the public in mental hygiene principles and preventive measures; (2) the prevention of mental ills and other maladjustments through early discovery,

diagnosis and treatment; (3) improved care at state mental institutions so that a larger and larger number of patients may be cured and returned to their homes.

The operation of a modern parole system and the supervision of Indiana correctional institutions are other legal responsibilities of the Welfare Department. Prior to the enactment of the Welfare Act, Indiana had only eight parole officers to watch over and report on some 1,600 parolees. Now, by utilizing the services of County Welfare Departments, the parole force has been increased to almost 100 with very little added expense.

Classification systems have been established at each of the correctional institutions to delve into the causes which led each individual offender into crime and to recommend ways of helping him overcome criminal habits. Classification studies are also used in determining the fitness of prisoners for parole after they have served their minimum sentence. Today sixteen persons, including the Classification Committee, the institution's board of trustees, a board of parole review and the administrator of the State Department of Public Welfare, must pass on each application for parole before it is approved. This fact cuts to a minimum the possibility of exerting unwholesome pressure on parole authorities for the release of prisoners who are not good parole prospects.

Educational and training programs at the institutions have been stimulated during the past few years to the end that men will be better fitted to make their way in the world upon their release than they were before commitment. Through a public appeal for books and magazines it has been possible to build up good libraries at most of the institutions, a facility which had been long neglected because of lack of funds.

But today we find that more and more attention is being given to the service aspect of the welfare program. For every child who can be saved from delinquency and crime, society saves \$10,000. Every rehabilitated crippled child is a potential wage earner who will add his share to the progress of the world instead of being dependent upon the world's charity. The first big job of meeting the immediate physical needs of the aged, the blind and the dependent children for food, clothing and shelter has been passed, although, of course, this responsibility will probably remain with us for many years to come. The second task of preventing social ills at their source is now being undertaken.

Indiana Demands Union-Made Goods

By I. M. ORNBURN, *Secretary-Treasurer, Union Label Trades Department,
American Federation of Labor*

MEMBERS of Labor Unions, their families and friends have discovered that in order to maintain American Labor Union standards it is necessary to buy American-made and Union Label products. At last we have found that in order to sustain higher wages, shorter hours and better working conditions, which have been established through collective bargaining, it is the height of inconsistency not to maintain these standards through the collective buying of Union-made goods and the collective patronizing of Union services.

The chief objective of the Union Label Trades Department is to promote and publicize Union Labels, Shop Cards and Service Buttons, the official emblems of National and International Unions affiliated with this Department of the American Federation of Labor. We have made unusual progress during the past few years. Merchandisers and manufacturers, realizing the value of the Union market, are becoming more and more Union Label-conscious.

Great credit should be given to the officials of the State Federations of Labor, Central Labor Unions, Union Label Leagues and Women's Auxiliaries for the outstanding accomplishments of our various campaigns for the Union Label cause. We appreciate the cooperation that we have received from officials of the Indiana State Federation of Labor who are helping to make each one of the Union Label crusades a success. We are also gratified with the voluntary response we have received from officials and members of the National and International Unions as well as the Railway Labor Unions in Indiana.

The Union Label stands for fairness toward employer and employe alike. It is a mark of mutual cooperation and good will. It is the symbol of the principles for which the American Federation of Labor stands. In any consideration of the Union Label it is essential to look upon it as a banner of a great cause. That cause is the American Federation of Labor. We believe in the protection of American workers and American industries against importation of foreign-made products. We believe in arbitration to settle industrial disputes. We have fought for the protection of all workers, which include those who are unorganized. The A. F. of L. believes in the political institutions of the United

States. It has no desire to change our economic system. It believes that industry should receive a fair return for management and that fair interest should be paid on capital invested. In other words, the American Federation of Labor believes in no "ism" but Americanism.

The Union Label Trades Department congratulates the Indiana State Federation of Labor on issuing an annual year book. It promotes greater harmony between Organized Labor and decent, fair-minded employers. It is the policy of our Department to encourage a friendly relationship between employers and employes in every industry. It is our desire to constantly promote the sale of Union Label products. We want to deliver this Union-conscious market to those merchandisers and manufacturers who have collective bargaining agreements with A. F. of L. Labor Unions. We are continually urging the members of Labor Unions, their families and friends to buy only from those firms that display the Union Label, Shop Card and Service Button. We know that we must reciprocate with fair employers by buying their Union Label goods and using their Union services.

The Union Label appears on only those products which are made in the United States and Canada. It is the best guarantee that merchandise is made in America. We have taken advantage of the growing sentiment throughout this country against the purchasing of Nazi and Japanese goods. During the past year there has been a tremendous demand for American-made goods, chiefly due to the fact that members of Labor Unions and Women's Auxiliaries have refused to buy any foreign-made articles.

On account of the popularity of the Union Label, the Federal Government adopted the same principle when it issued the "Blue Eagle" emblem during the days when the National Recovery Act was in force. Great momentum was given to label-consciousness by this campaign of the NRA. We took advantage of this increased demand for a label which indicated that the goods were manufactured under fair and humane standards. The hours, wages and conditions established by the NRA were not as high as those that have been established over the past sixty years by the American Federation of Labor. The NRA Label even appeared on

foreign-made products. While the Supreme Court of the United States declared the National Recovery Act invalid, the Union Label Trades Department inherited a growing Union Label-consciousness. Fair manufacturers enjoyed an increased sale of Union Label goods.

One of the fundamental principles of the American Federation of Labor is to obtain collective bargaining agreements with private industry without the aid of the Federal Government. We believe that the wages and hours established under these conditions are more permanent and satisfactory. For example, when government or state establishes minimum wages they also become maximum wages. They are not as high as prevailing Union wages. Thus, through bureaucratic decree, wages and hours

are frozen, while under the collective bargaining, contract labor conditions are not fixed so rigidly.

When the cold facts are considered, our Government and our citizens should encourage the development of American industry. We still have millions of unemployed. The only way that willing workers can obtain employment is by increasing purchasing power. We believe that the best method of increasing mass buying power is for workers to join Labor Unions and, thereby, obtain higher wages. The best manner in which we can maintain increased purchasing power is through the buying of Union Label products and the patronizing of Union services. Collective bargaining and collective buying form a team that will pull America out of this disastrous mudhole of depression and place us on the highway to permanent recovery.

Child Labor

THE National Child Labor Committee has published a study, "Children in Strawberries," that will dispel any comfortable illusions that we no longer have to worry about child labor as a problem. The story of the strawberry pickers of the Mississippi Valley discloses family groups of workers outside the benefit of any protective legislation, even compulsory school attendance laws. Fifty-nine per cent. of the children interviewed between the ages of 7 and 17 had never attended school! These migratory families of the Mississippi Valley make Louisiana their starting point and work their way northward. They are joined by migrant workers from the North who follow the crop through Illinois, Indiana, Wisconsin and Michigan. Usually only 10 per cent. of the pickers are local. The whole family must work in order to get employment and earn enough for bare necessities. They live as they can with unimaginable living and sanitary conditions.

The average annual income for 87 families was \$474 or \$77 per person. Those who were all year migrants usually ended in cotton picking for the fall. Most of the migratory families are former farm tenants, sharecroppers and the like

who failed to make expenses. There are innumerable misfortunes ready to force farmers into bankruptcy. With only farm work experience, and home gone, these families move to somewhere in dilapidated automobiles. Because they keep moving, school attendance at the best would be constantly interrupted. It is further discouraged by lack of clothing and shoes, lack of facilities for cleanliness, difficulties in transportation, unwillingness of employers to employ individual wage earners with the help of children who were considered cheap labor.

Yet denial of education to the children of these migrant families adds to the national problem expense of adult illiterates and condemns a group of citizens to a life of hopeless poverty and underprivilege. To protect the children, their parents must somehow find or be provided with some kind of dependable employment so that the children may have a chance. When the children have homes, they can be protected by child labor and school attendance laws. Here again we realize the need for the Federal Child Labor Amendment as the basic pillar in any plan to assure children a fair chance for development.

A Rainbow Pot of Gold or Dependable Income for Old Age

EVERYONE would like to feel that when he is too old to work he will have enough money to live comfortably without accepting private or public charity. The desire for that security is so strong that the old-age pension organizations can enlist many people in the drive for big pensions. This situation presents an opportunity which unscrupulous politicians cannot resist. Old people who have never had incomes large enough to permit them to save much or who have lost their savings, want pensions. Younger people who are afraid they may not be able to save enough for their old age join the demand for pensions. Unwilling to wait for the orderly development of an insurance system now operating under the Social Security Board which should be extended to include workers now excluded, many persons want to cast aside insurance principles and provide much larger pensions for everyone who reaches some stated age, 50 or over. These persons are not satisfied to have a moderate but sure program which rests on a sound actuarial basis, but demand instead complete security and comfort for all persons over the specified age with no regard for the cost. The pot of gold at the end of the rainbow looks good. But is there enough gold in the pot and who puts it in?

The various pension plans which propose to pay a fixed amount to all persons over a certain age, regardless of their condition of need, would demand an unreasonable share of our national income in comparison with the amounts going for other equally important services. One of the most recent proposals is that every person over 55 years of age (over 60 according to some versions of the proposal) should receive an income of \$60 a month if he had retired from work. Married couples would be entitled to \$90 a month. The plans differ as to whether the pension should be a flat amount or subject to deductions for other income received. If the latter plan were used, the cost of the pensions would be less, but the administration would be complicated and the cost increased by the necessity of checking the pensioners' other income.

Even this income proposal, modest as it may seem in comparison with the \$200 a month plan for which some old people had hopes, would place a terrific tax burden on the Nation and

on the workers who would necessarily bear much of the cost.

There are more than nineteen million persons over 55 years of age, more than thirteen million over 60, in this country. About 60 per cent. of these are single, 40 per cent. married. Estimating as closely as possible the number of persons whose earnings would be greater than the proposed pension and who would not, therefore, be inclined to leave their employment to get the pension, and making allowance for not more than 75 per cent. of the whole group receiving the maximum amount because of other income serving to reduce the pension amount, more than nine and a third billion dollars would be necessary to pay a pension of \$60 to single persons and \$90 to married couples over 55 years of age. If the pension were paid only to persons over 60 years of age, the cost would be over *six and a third billions*.

The size of the problem of raising nine and a third or even six and a third billion dollars for old age pensions becomes clearer when we compare those sums with other Federal Government income. In no year to date have the total Federal tax receipts been more than six and a quarter billion dollars, including the war years, and the recent years when social security taxation has added large sums. The total of Federal, state and local taxes for 1921 was eight and four-fifths billion dollars. For 1938 it was fourteen billions. Federal receipts accounted for not quite six billion dollars of that amount. The pension plan for persons 60 years of age and older would double Federal taxes. Even if we subtract from its cost the full amount of government assistance now given to the aged and the old age insurance payroll taxes now collected, it would still add more than *four and a half billion* dollars to our annual tax collections over present amounts. There is no doubt that a large part of this additional burden would be placed on the workers. If we wish to extend the pension system to all persons over 55 years of age, the necessary tax collections would be more than doubled, a burden staggering in its size.

This is still not the whole story of the cost. Because the proportion of old people in the population is steadily increasing, this burden

would grow heavier each year. Instead of thirteen millions over 60, it is estimated that there will be thirty-one millions over that age by 1980. The numbers over 55 are estimated to increase from nineteen millions to forty-two millions by 1980. The cost of the pensions would, therefore, rise to around fourteen billion dollars for persons over 60, or twenty billion for those over 55. While estimates for so long a time in the future are, of course, subject to a considerable degree of error, it is certain that we are moving in the direction of a lower birth rate and a longer average life. The prospect is, therefore, that the average age of the population will increase, that there will be proportionately fewer people of working age and more people eligible for pensions. More than one-fourth of the whole population will be over 55 years of age in 1980. Something less than one-fourth will be under 18 years of age. The productive workers between the ages of 18 and 55 will have to support these two groups, plus the housewives, and the incapacitated and non-working members of their own age group. Can they be asked to bear so tremendous a cost of pensions for the aged?

It is necessary to think about this increasing problem over the next forty years. We should not now begin a program to provide large pensions to aged persons, placing the cost of those pensions on workers who are supporting themselves and their families and so making it impossible for them to lay aside anything for their own future, unless the program can be continued to provide for them the pensions they previously pay for others. When we look at the cost figures above, it becomes increasingly clear that pensions of such size would break our economic system long before the worker who is now 20 or 25 became eligible for his pension. He would have no security for his own old age, no return for the taxes he had paid to support other older persons.

The pensions proposed may not seem large in absolute amount for each person. A single person would receive \$720 a year, a married couple \$1,080. No one would say these amounts would provide luxurious living. Yet they are far above the cash income of a large part of the population. Not since 1929 has the total national income reached \$600 per person. In 1938 it was less than \$500. Forty per cent. of all families in the United States have incomes less than \$1,000 a year, and 65 per cent. less than \$1,500. These families include not just husbands and wives, but many children. We know that the government could not raise nine or even six bil-

lion dollars a year for old age pensions without increasing the taxes tremendously. Any such increase would in large measure come from the workers' pockets. Can those who have less than \$1,500 or \$1,000 for their families be asked to provide proportionately more for each person over 55 years of age than they have for themselves and their children?

There has been much loose talk about the payment of pensions greatly increasing the national income and thus financing itself because the pension money would all be spent. To the extent that the taxes for pensions would take money from persons of low income, they would only transfer the spending power from one person to another. Workers and their families spend their money promptly, too, for the many things they need and for which they seldom have more money than they can use to good advantage. Let no worker deceive himself that those huge sums would be raised without new taxes which he would have to pay. He would have to sacrifice many comforts and necessities during his productive years to provide more income for each retired person than he has for the members of his own family.

Sales taxes, transaction taxes, general excise taxes and taxes levied on business, all come, in large part, from the workers' pocketbook. Inheritance and estate taxes and taxes on the higher income brackets are less likely to be shifted onto the worker, but there is a limit to their productiveness. The income a given tax yields does not increase in proportion to the increase in the rate applied, because the incentive to find ways of avoiding the taxes are so increased that the tax base may decrease as the rate goes up. Thus the income the tax produces may remain the same or even decline. With surtax rates for our income tax already at 75 per cent. for the highest bracket, it is doubtful whether a higher rate would bring in much more income. If the Federal Government must raise a great deal more money, it is probable that the income tax rates would be sharply increased for the middle brackets and that the base of taxation would be broadened by lowering the present exemptions. Probably the income exemption would be lowered to \$500 if it became necessary to raise a considerable amount of money by additional Federal taxes. Taking a large slice of the wages a worker earns to pay old age pensions would decrease his present security and comfort and make it even less probable that he could provide any savings for emergencies which may arise while he has a family to support. The

future prospect of security when he is old would not be sufficient offset for making his life more insecure during his productive years.

Some reasonable compromise must be made between the amount of pensions which the government should provide for persons too old to work and the amount of money it should take in taxes from the pockets of productive workers to pay for those pensions. There is no magic in the payment of pensions which permits the government to supply some people with incomes without taking the money for those incomes from other people. The care of the aged people is an obligation which we have always had and which we expect to meet, but the amount of such care must be reasonably related to our total income and the other demands made on it.

When the population was smaller and a larger proportion lived on farms or in small communities, care for the aged was largely a family responsibility. The old people shared the family's living and their security was tied to that of the working members of the family. They had a standard of living rather closely related to that to which they had been accustomed before they retired, because it was a family standard. This did not give perfect security. It did not insure an ideal income for all aged persons, but it met realistically the fact that a limited amount of money should be used to the best advantage of the entire group, providing for the needs of those too young to produce, too old to produce, and in their productive years, with fair consideration for each. Now that aged persons form a larger part of the total population, and more people live in small apartments or rooms instead of on farms, families are not taking care of their older members as they once did. The problem has been turned over to the community to a larger extent. We must accept the social responsibility of providing a living for these old people. It does not follow, however, that the income given them should be greater than that which they had all their lives until their retirement, or that it should be so large that it places an unsupportable burden on the working population and prevents proper provision for other social needs. We are dealing with facts of income and expenses. We cannot afford to use so much of our resources in attempting to create a completely desirable situation for one group in the population that we have nothing left for other equally important needs.

Workers have associated themselves in labor unions to improve their wages and conditions

of work and living. They have always worked for a more satisfactory provision for all people, for children, for the aged and for the incapacitated as well as for active workers. It is not good sense, however, for them to support plans which would so far unbalance the various needs for which social assistance must be had. The program of unemployment compensation has lagged behind that of old age insurance in adequacy of benefits. We desperately need a plan of health and medical care insurance and provision for temporary and permanent disability for wage earners and their families. Many persons of 55 or 60 are entirely capable of working. We need to stimulate industry which will give them jobs. Others of that age are physically or mentally handicapped. For them a disability program would take the place of a retirement pension.

If Labor Unions continue to protect the wages of working people, secure a more complete and adequate coverage of the Social Security programs of unemployment compensation and old-age insurance on an insurance basis, and add health and disability insurance to the areas protected by social insurance, they will make it possible for wage earners to have a considerable measure of security throughout their working lives. They can count on some income through most of the periods when they are not able to work or cannot find work. The emergency expenses which now overwhelm many working families can be met from insurance funds. Under these conditions the worker can provide for his family and keep his savings to supplement, if he will, the retirement pension he can expect. It is far better to develop a well-rounded program of insurance for the emergencies against which the low-paid worker cannot protect himself than to concentrate on security for only our old age.

Jobs first with good wages and working conditions, insurance next to provide income and a reasonable protection against huge expenses during periods of unemployment and illness for the worker and his dependents, and income in his old age which is in reasonable proportion to the whole program of social protection—that is a plan organized labor can honestly support and for which our millions of workers can reasonably work. That is a program worth paying for, one which keeps a fair relationship between individual and social efforts.

Indiana's Conservation Program Provides Increased Outdoor Sport and Recreation

By VIRGIL M. SIMMONS, *Commissioner, Indiana Department of Conservation*

SHORTER working hours with increased opportunities for healthful outdoor sport and enjoyment have added to the importance of Indiana's program for the conservation of natural resources.

This cooperative program, in which more than a thousand local conservation clubs with a membership of more than a third of a million men and women in all walks of life are actively engaged, is already paying remarkable dividends in better fishing, better hunting, better equipped areas for family picnics and camping trips, and indirect dividends through reforestation and wiser use of other natural resources.

It is a program in which every resident of Indiana can participate and which can be supported by every member of the family through membership in the conservation clubs. This plan of inviting all interested persons to join in a state-wide conservation program was inaugurated in Indiana seven years ago, and its value has been demonstrated by the adoption of a similar plan in many other states.

Eleven million game fish placed in Indiana lakes and streams; more than a hundred thousand quail and pheasants liberated; tons of grain distributed at feeding stations for birds during the winter; thousands of stranded fish removed to deeper water; acres of grain planted to furnish food for wildlife; forestry plantings on scores of acres—these are only a few of the contributions which the clubs have made to Indiana's conservation program during the past year. Educational programs sponsored by the clubs in the schools, churches and the communities at large have resulted in a wider understanding of the purposes of restricting the taking of fish and wildlife and have resulted in a more general observance of these regulations.

The Department of Conservation was established by the General Assembly in 1919 when

six formerly independent offices or agencies were consolidated as a means of securing a more co-ordinated program of dealing with Indiana's natural resources.

These agencies, now known as divisions of the Department of Conservation, and their services include:

DIVISION OF STATE PARKS, LANDS AND WATERS: Has charge of the maintenance and operation of Indiana's twelve state parks and five state memorials; and also supervises removal of sand, gravel and other minerals from certain state waters.

DIVISION OF FISH AND GAME: Is in charge of Indiana's five state game preserves; eight state fish hatcheries and five state fish rearing stations on other state lands; and maintains a warden service for the protection of fish, birds and other wildlife—all operations are financed entirely by issuance of hunting, fishing, trapping and similar licenses.

DIVISION OF GEOLOGY: Supervises oil and gas drilling; collects data on mineral resources, water tables, geologic formations; aids Federal agencies engaged in similar fields.

DIVISION OF FORESTRY: Administers Indiana's twelve state forests and four nurseries, producing trees for reforestation plantings; maintains forestry demonstration areas and state-wide forest fire prevention program.

DIVISION OF ENTOMOLOGY: Directs control and eradication programs against insects and diseases injurious to plants and trees and against bee diseases; inspects nursery and greenhouse stocks.

A part of the "Thundering Herd" of buffalo at Pokagon State Park.



DIVISION OF ENGINEERING: Provides technical data for development and operation of lands administered by other divisions.

The varied nature of Indiana's conservation program and the progress made in the advancement of that program is indicated in the following excerpts from a report on activities, including:

Organizing and directing a state-wide educational program emphasizing the need of public participation in the conservation of Indiana's natural resources.

Uniting in this program more than 300,000 persons enrolled in Indiana's 1,021 active conservation clubs, which represent all classes of people and every locality in the state. Sixty per cent. of the clubs are in rural communities, and nearly 70 per cent. of the entire membership consists of farmers and landowners.

Cooperating with neighboring states in regulation of bordering lakes and streams and with the other Great Lake states in application of conservation to commercial fishing.

Operating and improving the twelve state parks and six memorials, visited in 1939 by over a million and a quarter persons representing every state in the union and several foreign countries. In the past six years the state park attendance has more than doubled.

Directing a state-wide program for emergency feeding of wildlife with more than ten thousand persons participating during the past winter months.

Securing for Indiana, through cooperation with Federal agencies, the benefits of CCC and WPA development of state properties; assistance in the control of forest fires, plant diseases and harmful insects, and aid in producing trees for reforestation plantings.

Providing trained speakers, equipped with slides picturing, in natural color, state properties and conservation activities, as a free service to clubs, schools and other groups.

Maintaining a nature guide service at seven state parks and furnishing wildlife and conservation exhibits for county fairs, outdoor shows and similar public gatherings.

Publishing a monthly magazine—OUTDOOR INDIANA—without charge to all conservation club members and others interested in a more extensive conservation program for Indiana.

Creating and maintaining more than 3,000 acres of waterfowl refuge at Hovey's Lake, the Jasper-Pulaski and Kankakee game preserves and planting aquatic vegetation in "made" lakes throughout the state as food for migratory waterfowl. All department properties are wildlife sanctuaries.

Raccoon at Wells County State Game Preserve.



Preserving Indiana's scenic beauty, historic areas, and promoting vacation facilities as attractions bringing thousands of tourists into the state each year.

Producing in state forest nurseries, millions of trees for woodlot, windbreak and reforestation plantings, chiefly on private land.

Supervising the operation of 482 club-operated electric quail and pheasant brooders, and furnishing day-old chicks to 408 clubs during the past fiscal year, with the clubs liberating 100,491 quail and pheasants over the age of 8 weeks.

Cooperating with the Zoology Department of Indiana University in a research program seeking improvement of fishing in both lakes and streams.

Assisting Purdue University in the promotion of 4-H Club wildlife, forestry and soil conservation activities and cooperating in the maintenance of the annual 4-H Club State Conservation Camp.

Inspecting land eligible for forest classification with 98,502 acres held by 1,734 owners now under this reduced tax program.

Supervising in 1939 the 516 club-operated fish-rearing ponds with a water area of 313 acres, the 220 conservation clubs participating produced over 11,000,000 game fish for stocking Indiana lakes and streams.

Maintaining group camp facilities in the state parks, furnishing low-cost outings for boys' and girls' groups. These camps had 25,719 overnight occupancies last year.

Experimenting with chukar partridge and liberating over 700 of these birds in thirty locations to ascertain if this exotic species is suitable and adaptable to Indiana for the development of additional hunting.

Acting as coordinating agency for the Civilian Conservation Corps program in Indiana, working with the National Park Service, National Forest Service, Soil Conservation Service and other agencies.

Providing inspection service for over 175,000 colonies of bees to combat diseases affecting an annual honey crop of more than 3,000,000 pounds.

Sponsoring in 1940 the Seventh Annual Crow Control Contest in which conservation clubs are competing and directing other campaigns to control undesirable and predatory species.

Licensing the taking of fur-bearing animals and the marketing of pelts having a value to the trapper of over three-quarters of a million dollars annually.

Sponsoring, with the cooperation of WPA, the construction of artificial lakes as a means of surface water conservation and recreational areas.

Directing the rescue of three-quarters of a million game fish last year from being stranded by receding high waters or low-water levels in ponds and streams.

Issuing 279 permits for oil and gas well drilling in the past fiscal year, with fifty-eight wells producing oil and forty-five producing gas, completed.

Maintaining an information service on all phases of conservation activities in Indiana for individuals and organizations in this and other states.

Propagating and liberating in the past fiscal year: 17,349 pheasants, 31,025 quail, 3,165 rabbits, 553 raccoon, 29,887,281 game fish, including 383,205 smallmouth black bass, 359,467 largemouth black bass, 284,813 rock bass, 385,550 red-eared sunfish, 1,905,655 bluegills, 29,417 crappies, and 364,416 trout secured from Federal hatcheries. In addition, 105,475 day-old quail and pheasant chicks, and 103,086 quail and pheasant eggs were furnished to clubs and individuals for hatching or brooding.

Supervising the club propagation of raccoon, the establishment of raccoon dens and preservation of den trees. The clubs released 146 raccoon in 1939 under this new club activities.

The American Federation of Labor and Health Insurance

By ROBERT J. WATT, *International Representative, American Federation of Labor*

THE disastrous consequences of illness or disability upon the economic solvency of any working man or woman were recognized and feared long before the problems of periodic unemployment or of old age dependency were recognized. Even when manufacturing was a job for the home or the small shop, the loss of income due to illness or disability was a major handicap and a source of fear among working people.

Why is it, then, that the United States has laws providing insurance to the worker of the family against the loss of wage-earning power due to unemployment, old age and death?

I think the answer is as significant as it is plain. Our theory of individual ability to work hard enough and save enough to meet family needs was deeply ingrained. When the individual, for one reason or another, was unable to provide, the American people believed that relatives and neighbors could handle the burden in most cases and that the balance could be left to charity or public welfare. That theory was carried along fairly successfully while we were an agricultural community and it was carefully defended by those who wanted to avoid tax burdens. It was artificially maintained by arguments against the dangers or unconstitutionality of government operation.

The avalanche of unemployment after 1929 forcefully demonstrated the inadequacy of charity or local relief and forced the Social Security Act of 1935 onto the statute books. The depression mushroomed our existing need so suddenly and severely that the insurance program was virtually an emergency measure.

Under ordinary circumstances, illness and disability are less spectacular problems for the community as a whole, because usually there is a rather constant volume of relatively isolated individual cases. Where old age dependency and unemployment were widespread mass problems, illness and disability were and are characteristically individual in their effect. Hospitals and clinics meet part of the medical problem, although often the worker resorts to them too late. On the whole, individuals suffer pretty much in silence.

The American Federation of Labor is, of course, an association or fraternity of individuals. The local guilds of the Middle Ages developed fraternal plans for sick benefit payments. Characteristically, these early forms of Labor Unions were practicing the fraternal, neighborly plan of cooperation to aid individual members. The pooling of resources against a recognized hazard faced by all, but likely to strike only a few individuals at a time, is the essence of social insurance.

By the test of history, therefore, the stake of labor in health insurance is demonstrated by its early action to combine group contributions for individual aid.

Under the highly competitive conditions which we find, however, there are limits to the amount of money which Union members can pay out of their wages for special services from their Union. If Union dues are increased to provide health insurance, for example, they may prove unduly burdensome in the face of cut-throat competition. However valuable such services may be, a Union can seldom venture to establish adequate provisions until after it has fully organized its industry. And, as you know, there are few fully organized industries even today.

And, anyway, I believe it is doubtful whether Labor Unions should seek to provide such services. With the present mobility of labor, constant changes in employment conditions, and the equal importance of family protection, health insurance would seem more a matter for the government than for the Labor Union.

Social insurance, I believe, should seek the widest possible pooling of revenue and spreading of risk. If this is sound policy, the nationwide community constitutes the proper extent of coverage.

Labor Unions should rather concentrate upon direct action on the economic problems arising out of the conditions of employment of their members and upon legislative sponsorship of measures to cope with the social and political questions affecting the well-being of their members.

Hence organized labor properly takes a foremost position in urging legislation to provide health insurance and disability insurance.

Let me point to what the Executive Council recommended on this subject to the 59th Annual Convention of the American Federation of Labor. I quote from the Executive Council's report as the official statement of the American Federation of Labor, and I do so knowing the membership of the American Federation of Labor shares my own enthusiasm for the soundness of the following statement:

"We recommend that insurance for temporary disability be made effective in the near future to supplement workmen's compensation and unemployment compensation laws and that the Federal Government be urged to undertake a study of adding a program of insurance for permanent disability to the Old Age Insurance System. We recommend further that any general health insurance program be Federal in scope to avoid the confusion and inequity which we have seen resulting from the varying state unemployment compensation programs.

"While endorsing the principle of compulsory health insurance, the Executive Council believes that the program of social insurance should be developed as a coordinated whole with due regard for the ability of low-paid groups to pay additional taxes from their pay checks. We believe that a considerable part of the program must be financed by other than pay-roll taxes since general health goes beyond the responsibility of industry. The first steps might well be the expansion of the unemployment compensation program to insure against loss of pay to persons unemployed because of temporary disability, and the placing of medical care and health services within the reach of all persons by lowering their expense. Along with these steps should go renewed efforts to find ways of increasing the economic security of the worker in jobs and the income derived therefrom. From that income the worker could then pay something toward a national program of health insurance. We favor the principle of health insurance, but urge careful planning for the program on a national basis under competent administration with a system of financing which will fit into the entire Social Security program before the plan is adopted. We would oppose any plan which would repeat the mistake of workmen's compensation, of allowing private-profit companies to be the insuring agents."

I regard that statement as a strong constructive position. I see nothing in it which would destroy the morale of our doctors or the confidence of their patients. I see nothing in it which undermines any useful institution.

On the other hand, I can think of no worse insult to the ethics of the medical profession than some of the objections set forth by the opposition.

I recall a legislative hearing in Boston on a health insurance bill which was filed by the Massachusetts State Federation of Labor, of which I was then Secretary. The head of a state medical association appeared in opposition and told a sad tale of the awful consequences of the British health insurance system—as he interpreted them.

After listening to him, I began to wonder if doctors would lose all standards of individual decency if they were in any sense made public servants. If I believed in such a slander, I would believe that we should make haste to make them public servants and clamp a lot of rigid supervision upon them. Now we know that most doctors are not just money-grabbers, even though some of them approach that description. I know some fashionable doctors will smugly take a flat fee from an insurance company for depriving, by their testimony, some poor unfortunate cripple or his widow or orphans of the workmen's compensation due for the disabling injury or occupational disease. I know that some of these doctors have expensive offices and a fashionable practice and nobly give a proper charitable service at some clinic.

But I believe that the medical profession will achieve new heights of public service and personal unselfishness when we have a health insurance which enables a doctor to minister to those who need his aid most, but who because we lack health insurance are now unable to pay his fees, secure competent nursing or hospitalization or obtain proper medicines.

I see no reason why any doctor whose conscience will let him diagnose an ailment and prescribe remedies upon which the patient's life depends should hesitate at all to accept some degree of competent supervision. The good doctor should be eager to houseclean his profession of the charlatans and he should accept any reasonable procedure to accomplish that objective.

I solemnly believe that a democracy can find a way to make its government function with a minimum of red tape for the well-being of its citizens even in the field of medicine.

Why is it that the Public Health Service has accomplished so much progress in the field of scientific investigation, diagnosis and treatment of disease and methods of prevention of disease? I think the answer lies in the fact that the doctor who dedicates his life to medicine really has a motive for service which is far superior to the urge of the cash register.

I have no patience with those who believe that mankind can advance only to the lure of the cash profit motive. On the contrary, some of our greatest progress in every field of endeavor has come from the objective search for truth, progress and human service.

Organized labor itself endures not because of the lure of huge profits for the few, but because

of the unselfish devotion of the many for the well-being of their fellow workers. In fact, the profit motive is a handicap rather than an incentive.

Social insurance as exemplified in the Social Security Act was established in this country because the people recognized the inability of the individual to finance family security against unemployment, old age or death—even though a long and aggressive salesmanship had exploited commercial insurance programs to a degree which has almost created a real monopoly of investment money in the hands of insurance tycoons.

After a costly experience of many years with insurance companies in the field of industrial injuries, labor believes government insurance for basic minimum needs of the individual is not merely necessary for the individual worker today, but is equally necessary for the community.

The sinews of democracy are found in the collective health, welfare and security of its individual citizens. Government is *for* the people if it is to have any enduring value and it must be *by* the people if it is to reflect their needs and march in step with their capacities.

I read a criticism that President Roosevelt had let the people down when he failed to push a big national health program.

Well, I agree we need it, but I do not think we can or should have a big national health insurance or hospitalization plan until the people know what they want and are in some degree of agreement as to how best it can be furnished.

It is my belief that labor must provide the leadership in informing a public opinion as to what we need and how it can best be furnished. As I think over the subject of health insurance, I am convinced that we have not yet done our part of the job.

As one individual remarked in disgust in Washington a few months ago: "Do you know anyone in this city who hasn't got a health insurance plan of his own?"

That question indicates one of the major reasons why we have not yet obtained any health insurance law. There are too many people trying to father their own plans instead of putting their heads together to find the best answer and to sell that best answer to the public.

Let me stress what I believe are some essential points.

First, I would try hard to provide the maximum of service and a minimum of restrictions.

Granted that there will be some chiselers, I still maintain we need to worry first of all about serving the much larger number of decent people who need medical aid with a minimum of obstacles.

Secondly, I would urge the earliest possible action in providing disability insurance to fill the gap in Old Age and Survivors' Insurance. It would be scandalous as well as heartless to make the disabled worker choose between impoverishing his family by living as against providing them with survivors' insurance by dying while his Social Security insurance is still in effect.

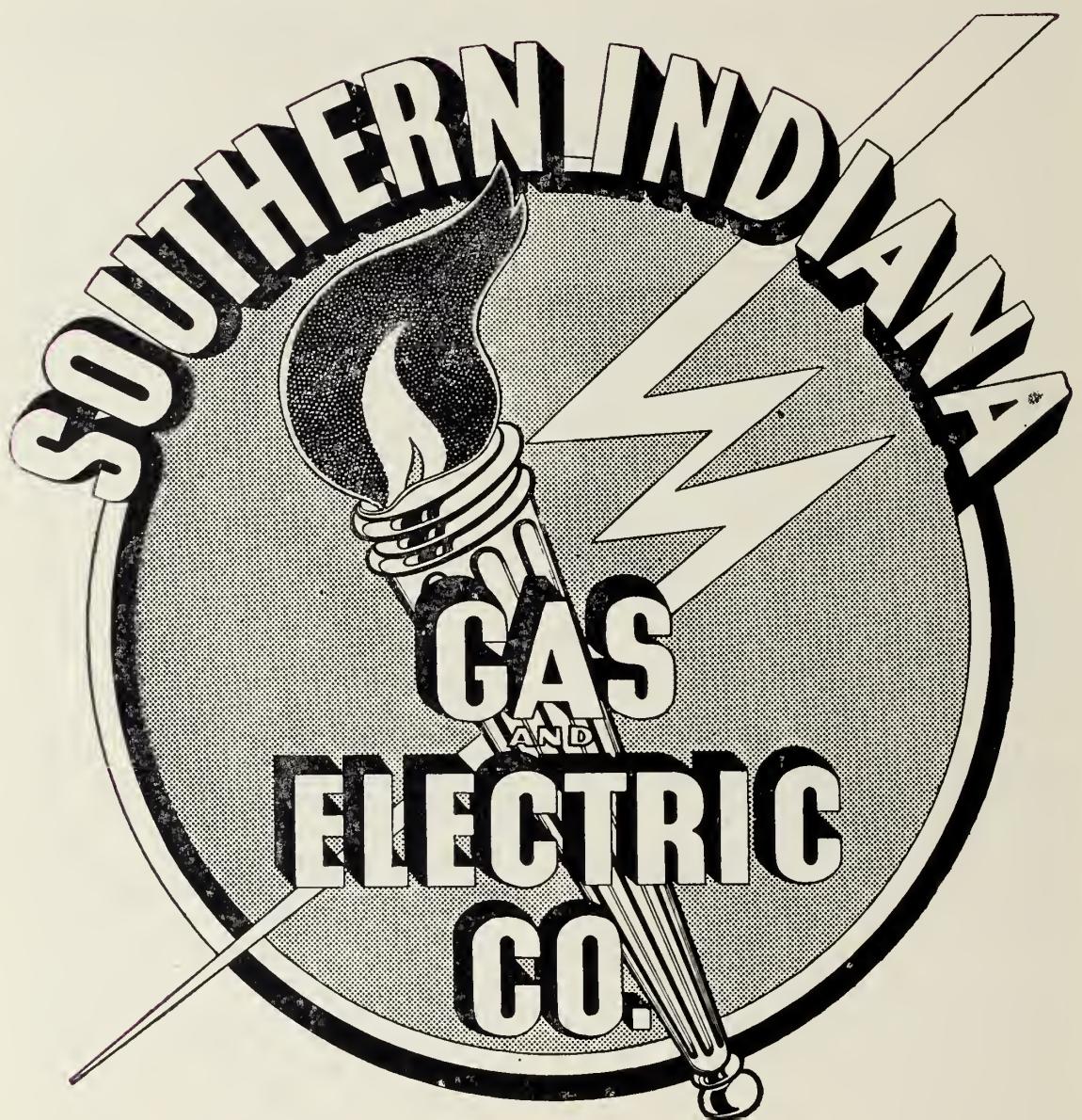
Personally I would, as a temporary expedient, make unemployment insurance payable to those who are unemployed because of illness. If state funds are growing too fast, I hope that the employers who hate to see this money accumulating in the Federal Treasury will be willing to promote business activity by letting workers draw their unemployment insurance when they need it most of all, because they are not only unemployed but faced with extra expenses for doctors and medicine.

Finally, I would make a suggestion of my own. Why not simplify our social insurance program by insuring working people against loss of family wage income, and do this by a single Federal system which would pay benefits whether the loss of the weekly pay envelope is due to layoff or shutdown, temporary illness or permanent disability, old age or death of the wage earner?

For elementary justice, the scope of social insurance must be broadened to cover industrial accident, permanent or temporary disability, injury or disease, health and a work opportunity. All such insurance should be Federal in scope and simple in practice.

We have too long fattened the vultures of commercial insurance companies upon the shattered bodies of injured workmen and the misery of their poverty-stricken families to tolerate any further exploitation in the foolish theory that any sins committed by insurance companies must be acts of virtue.

I suggest that we apply our vast fund of knowledge and experience to finding a way to hitch these plans together under an unbureaucratic Federal system responsible to but not parasited with local circumstances. I am sure that the American Federation of Labor would welcome an American social insurance which provides cash for subsistence whenever the worker cannot work for wages.



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AND SOUTHERN INDIANA

Common Questions about Unemployment Compensation

By WILFRED JESSUP, *Director*, Indiana Unemployment Compensation Division

FROM April 25, 1938, the day on which Governor M. Clifford Townsend presented an Indianapolis worker with the first unemployment compensation benefit check ever issued in the State of Indiana, until April 30, 1940, Indiana workers drew 2,866,835 benefit checks having a total value of \$30,011,358.86.

It would be presumptuous for us to attempt to explain to members of the Indiana State Federation of Labor what those benefits meant to workers in the way of food, shelter, clothing, medicine and other necessities during periods when work was not to be had. Labor was responsible for the enactment of the Indiana Unemployment Compensation Law and the Federal Social Security Act, which made the Indiana law possible. Labor has made a continuous study of the progress of the program. Labor has a great stake in this program, and labor has acted effectively and intelligently to protect its interests.

Your own President, Carl H. Mullen, has been an active member of the State Unemployment Compensation Board since it was established in 1936, and last year was reappointed for another four-year term. The other representative of labor, Alex E. Gordon, chairman of the State Legislative Board of the Brotherhood of Locomotive Firemen and Enginemen, is President of the Unemployment Compensation Board. Frank G. Bates, professor emeritus of Government at Indiana University, is the representative of state and public. The two employer representatives are John W. Crise, works accountant of the Fort Wayne General Electric plant, and Theodore B. Griffith, vice-president and general manager of L. S. Ayres & Co. in Indianapolis.

Unemployment insurance is a program which we all agree is here to stay. However, since it is new and still in the experimental stages, many changes will undoubtedly be made as experience takes us out of the realm of theory, the basis upon which all new legislation necessarily must be enacted, and into the realm of practical knowledge based upon actual operations. As inequalities in the operation of the law become evident, whether they affect workers or employers, they must be adjusted so that the program

can move forward smoothly through the united action of all interested individuals and groups.

Considering the vast extent of the job insurance program, and the fact that it was put into action during a time of great social and economic stress, its early operation has been remarkably smooth.

The inauguration of a technical piece of legislation, such as the Indiana Unemployment Compensation Law, always raises many points of confusion. The program is new, workers are unfamiliar with its provisions, and Division policies and procedures are drafted largely upon an experimental basis. The continued cooperation of labor and industry is needed so that any bugs in the program can be eliminated in the light of knowledge and experience.

Experience thus far in the operation of the benefit provisions of the law has shown that some questions are asked over and over by benefit claimants, indicating that there are certain widespread misconceptions which need to be clarified.

Four of the most commonly asked questions are presented here, together with the answers. It is our hope that this information will assist workers in understanding the program, so that they will be better able to judge its merits and to recommend improvements.

First Question: "Why can't I get benefits? I paid for them; my employer took 1 per cent. out of my check each week."

Answer: Employees who ask this question evidently believe that they can draw unemployment compensation because their employers have deducted 1 per cent. from their pay checks. This is not true, because the 1 per cent. deduction is for Federal Old Age and Survivors' Insurance, *not* for State Unemployment Compensation. The fact that each of these programs of social insurance is supported by a pay roll tax causes some confusion. It is possible for an employee to be covered by one program and not by the other.

The Unemployment Compensation program was set up by the Indiana Unemployment Compensation Law and is administered by the State

of Indiana through the Indiana Unemployment Compensation Division. Generally speaking, only employees of employers who hire *eight or more* persons in industry and commerce are protected by this Indiana law. *The employer pays the entire tax*—2.7 per cent. of pay roll to the State Unemployment Compensation Fund and 0.3 per cent. to the Federal Government. (Employees paid nine-tenths of 1 per cent. of their earnings into this fund during only the first three months of 1937. Employee contributions then were eliminated by an amendment to the law.) The money in the state fund can be used for only one purpose—the payment of benefits to eligible employees during limited periods of unemployment.

The Old Age and Survivors' Insurance program (formerly called Old Age Benefits) is administered by the United States Government through the Social Security Board. All employers of *one or more* persons in industry and commerce are subject to this law, and *the employer and the employee each pays a tax equal to 1 per cent. of the employee's wages*. The 1 per cent. deducted from wages and the amount paid in by the employer is used to pay a monthly annuity to the employee when he reaches age 65, or to his survivors if he dies before reaching that age.

Second Question: What do you mean, a "two-week waiting period"? When I lost my job, I didn't get a check for five weeks."

Answer: The Indiana law requires a waiting period of two weeks for which no benefits can be drawn. However, it is four or five weeks after the worker applies for benefits before he actually receives his first check. Here's what happens during those weeks:

First Week. As soon as he loses his job the claimant registers for new employment, files a claim for benefits and enters his waiting period. If his earnings during this week are less than his weekly benefit amount, it is his first waiting period week. Of course, we can't be sure whether this is his first waiting period week until his weekly benefit amount has been determined. At this time the Division begins its examination of his record to make sure he has had sufficient earnings to be eligible for benefits.

Second Week. He registers and reports his earnings during the first week. If they were less than his weekly benefit amount and he was able and willing to work and available for work throughout that week, it is counted as his first

waiting period week. In the meantime, the Division completes its examination of his record.

Third Week. He registers and reports his earnings during his second waiting period week. If they were less than his weekly benefit amount and he was able and willing to work and available for work throughout the second week, it is counted as his second waiting period week. This third week is his first "compensable week," the first week for which he can draw benefits. But he cannot certify it until the following week, because he will not know until the week is completed how much his earnings were or whether he was unemployed all week. During this third week, the Division computes his weekly benefit amount and total benefit amount and notifies his former employers that he has qualified to receive benefits. The claimant also receives a notice of benefit eligibility, "pink slip," by mail.

Fourth Week. He registers and certifies his earnings during the third week. He also certifies that he was able and willing to work and was available for work throughout that week. Then he signs a voucher for the third week showing his weekly benefit amount minus his earnings, if any. This voucher is then sent to the Division's central office in Indianapolis and a check is written and mailed to the claimant's home. If he signed his voucher early in this week, he may get his check during the same week. If he signed later in the week, he will not get it until the following week, which is the fifth week after he first applied.

Each week thereafter that he is totally or partially unemployed, he follows the same procedure—he registers to show that he is still able and willing to work and available for work, and he signs a voucher for his unemployment benefit for the preceding week.

This process continues for each week of unemployment until his benefit rights are used up.

Any change in the claimant's address should be reported to the field office. Otherwise his check will be mailed to the old address and will be delayed.

Sometimes delays occur for other reasons, such as, difficulty in securing statements of wages from employers, errors in reporting Social Security Numbers, the worker's failure to report his earnings properly, or other unusual matters which require some time to iron out.

Third Question: "I've been registered with the local employment office for several months, and they've never yet sent me out on a job. Why are they giving me the go-by?"

Answer: It sometimes is difficult to make persons seeking work understand that the Employment Service Section of the Division does not create jobs; that it does not dictate the qualifications needed to perform specific jobs, and does not make the final selection of new employees. Those are the recognized prerogatives of employers. The Service acts as a clearing house, a medium through which men and jobs are matched.

When an employer has a job opening he naturally wants the best qualified person he can get to fill it. To achieve this end, he may ask the Service to refer to him applicants with the abilities and characteristics which he desires in a new employee on this particular job. The Service then selects the applicants best qualified to meet the employer's specifications and refers them to the employer, who chooses the one he wants to hire.

Obviously, the employer would not do business with a placement agency which referred unqualified applicants to him merely because they needed jobs or had been out of work for a long time.

The Service can refer an applicant to a job only if he is qualified for it. This is one of the principles upon which the Service is based—finding the right man for the right job. If an applicant's skills are much in demand, like a machinist or rapid stenographer, it is relatively easy to place him. But if his qualifications are similar to those of hundreds of other unemployed persons, the possibilities of placement are less.

Fourth Question: "Why are benefits denied to some persons and delayed by 'penalty periods' imposed on others?"

Answer: As in all other insurance programs, there are circumstances under which persons can't get unemployment compensation benefits because of certain things which they have done against the Law or which they haven't done when the Law says they should. Naturally, if they haven't fulfilled the earnings requirements or are not able to work or available for work, they can't get benefits, but there are also other reasons which might bar the worker either permanently or temporarily. These disqualifications were set up to protect the fund so that benefits can be paid to persons who are unemployed through no fault of their own.

If the worker does one of the following three things, none of the wages he earned before that time can be counted in making him eligible for benefits.

The Law says that he loses his past wage credits if—

(a) He leaves work voluntarily to marry or because of marital obligations; or

(b) He leaves work voluntarily to enter self-employment; or

(c) He is discharged for dishonesty in connection with his work, provided such dishonesty is admitted by him or results in a conviction in court; further, if because of such alleged dishonesty he is in legal custody or out on bail, his benefit rights will be held up until the case is settled.

There is another group of actions for which the penalties are only a temporary bar to benefits. The worker can't enter a waiting period or receive benefits for the week in which any of the following occur and the next three weeks after that:

(a) He leaves work voluntarily without good cause; or

(b) He is discharged for misconduct in connection with his work; or

(c) He fails to apply for or accept available suitable work when it is offered by the Employment Service or by an employer; or

(d) He fails to return to his customary self-employment (if any) when directed to do so; or

(e) He attempts to secure more benefits than he is entitled to by failing to report earnings he had during a benefit week. For this offense he is also subject to a fine of \$100 and 60 days in jail and three weeks of full benefits will be deducted from his total benefit amount.

A worker cannot draw benefits for a week of total or partial unemployment which is due to a stoppage of work which exists because of a labor dispute at the factory, establishment or other premises where he was last employed. However, this disqualification does not apply if he is not participating in or financing or directly interested in the labor dispute, and he does not belong to a grade or class of workers who are participating in or financing or directly interested in the dispute, and he has not voluntarily stopped working, other than at the direction of his employer, in sympathy with employees in some other establishment or factory in which a labor dispute is in progress.

The Indiana law also provides that no one can claim unemployment benefits for any week for which he is receiving or has received monthly old-age or survivors' insurance payments under

Title II of the Federal Social Security Act. Consequently, if he is drawing a monthly old-age or survivors' benefit under the Federal old-age insurance program, he is ineligible for state unemployment benefits.

Also, he is not eligible for Indiana unemployment benefits if he is receiving unemployment benefits from another state or from the Federal Government under the Railroad Unemployment Insurance Act.

Although most of this discussion has been given over to the explanation of why people can't get this or do that, most of the record of

the Division has been on the positive side. Millions of dollars have been paid in benefits to nearly a quarter of a million Hoosier workers since the program was launched, and the reserve fund available for benefit payments is considered adequate to meet any emergency. On the employment side of the picture, the Employment Service has found and filled tens of thousands of jobs in private employment. Month by month the Division has demonstrated that it is increasingly useful to workers and employers in the process of matching workers and jobs, or, when that cannot be done, in paying unemployment benefits.

Were There No Labor Movement?

LABOR has always had to struggle for its existence. The difference in the struggle between then and now lies in the development of the mode of production. The latter's modern inception dates from the introduction of steam-power—the rise of capitalism.

Quite naturally, as the mode of production changes, labor must change its immediate aims accordingly. New inventions and advanced technique would prove ruinous even to capitalism, were labor conditions to remain unchanged.

Had the fundamental trend of capitalism been properly understood, right from the start, the struggle between capital and labor would have been less of a pain than the pages of history record. As a matter of record, the labor movement, even at this stage of enlightenment, is badly understood.

Everything organized labor undertakes, towards achieving improved conditions, is, by its adversaries, construed as a blow against capitalism.

The fact of the matter is, were it not for organized labor, the unbusinesslike conduct of those called "money lords" would have run business to its ruin long ago.

Long hours of employment, at inadequate compensation, is a curse, not a blessing. Stabilized conditions alone warrant prosperity. Security of one's existence is the true basis of happiness.

The people who produce, unless they receive in return the equivalent for their labor, create a surplus that gradually chokes the market; a trend always leading to an economic crisis.

Thus, the presence and activities of bona fide

Unions become, and are, a safety valve within our economic structure. Political economists, unless in the pay of unscrupulous groups, well understand this economic trend and become evermore inclined to deal with organized labor accordingly.

The economic life of a nation is similar to that of a family. If all the members of a family are healthy and economically well situated, their life and existence is likely to be a pleasant one. Thus, a nation that has no ear, nor understanding, regarding the needs and rights of its subjects, cannot and should not expect clear sailing.

Whether there is any truism in that statement may be easily ascertained. Wherever labor is well organized, one finds economic conditions at a higher level. Not alone that in whatever trade or industry labor amounts to something, that trade or industry too profits from a coordinated working order.

In order that we may obtain a clearer vision of the picture, let us look back, say fifty years. Notwithstanding all our legitimate shortcomings, labor, thanks to its unselfish activities during the past, enjoys a higher living rating. That has not come as a blessing from heaven. It has come through the spirit of solidarity, preached and practiced by labor—through devotion and sacrifices brought at the altar of Unionism.

Where would labor be today had there been no labor movement in the past? Where would the other side be had there been no one combating the vicious trend to capitalism? The answer is self-evident. Look at the economic chaotic conditions in China and elsewhere—and you have the true answer.

What Has Organized Labor Done?

By JOHN J. BUCKLEY

A SHORT PERIOD ago, an intelligent, educated young woman, a close friend, one whom I admire for her intellectual attainments and her readiness and willingness to listen, asked me the above question. I explained to her the vastness and vagueness of a question as this, which would require more than a few minutes to answer. I have found in many people and in many places a wrong conception of just what Organized Labor means to the individual, to the community and to those whose stipend for labor performed fluctuates according to the times and period of life. And in this brief article I shall endeavor to bring to the notice of persons who, just like my friend, ask this question. Perhaps an experience of forty-five years in the service of Labor may give the writer a closer and understandable insight that would tend to bring out some of the many reforms that hung like a funeral pall over the workers of the past through Organized Labor.

First, the individual effort of the past, which at no time or epoch brought results, save incarcerations, floggings, the gibbet and banishment to penal colonies, has developed into a unified, compact, organized, peaceful effort and campaign to interest the public at large, and more especially individuals, as this dear friend who propounded the question. She, as everyone else, is aware, through the study of history, what terrible burdens and obstacles were to be overcome and hurdled in the struggle for a place in the sun; for the unbinding and loosening of serfdom and pernicious bondage that compressed the worker on all sides. He had no vote or voice in whatever government ruled. Property, riches, land, power, exploitation of the poor to enrich the so-called "upper classes" was the order of the times and might ruled over right. Education of the lower class was frowned on, ignorance and illiteracy was predominant.

But as always, here and there some God-inspired creatures, whose hearts visioned and envisioned the thralls and conditions people were subject to, modern St. Pauls in the reawakening, of the strength and courage which a Divine Providence had given and commissioned to proclaim, enunciated again the venerated heavenly doctrine of "The Sermon On the Mount." Christianity and the parable of the Good

Samaritan are the deep, durable, firm, substantial foundation on which Organized Labor is founded, which has changed men's lives and the future into a companionable, enjoyable and helpful relationship. What Christ taught, Labor preaches and practices. The proof? Allow me to summarize:

1. Eight hours for labor; eight hours for recreation; and eight hours for sleep. An equal division of the day.

2. Education, free schools and worship. Sanitary conditions at work and in homes. Better housing. Elimination of slums, sweat shops, the Shylocks of business and employers. Enaction of legislation against child labor and overworked women, pure foods in public restaurants, and handling and preparation. Playgrounds, recreation centers, municipal free bath houses and gymnasiums. Safety devices on dangerous machines in workshops. Health centers, humane treatment of mental, penal and aged, infirm poor, sick and needy patients under state or municipal supervision. Old age and Social Security pensions, unemployment insurance. Curb-ing of money sharks, loan offices, shyster lawyers, doctors and unethical and blood-sucking parasites, who mulcted the life savings of our people through misappropriations and manipulations of banks, etc. The blacklisting of employees for activities towards fair wages and equitable conditions in work. The defeat of Bourbons—so-called aristocracy of America—the *ruling class*, who perpetuated themselves and families and relations in office and fed at the private crib of favoritism, patronage and exclusiveness of years.

But why go on? Each year, each epoch, each individual, whether he or she belongs or holds membership in any unit or local of labor or not, has benefited materially, socially, spiritually and physically in the great contributions to life Organized Labor has promoted and achieved.

The American Federation of Labor and its thousands of affiliated units and locals are the sole factor in bringing these results to a successful conclusion.

There are other bodies, it is true, but they are masquerading in a false sense and pernicious attitude in their methods. Honeycombed, saturated with the vile doctrines of Communism,

Soviet Russianism, Fascist Italy and Nazi dictatorship, rebellious to all authority, civil, legal and otherwise, force and bloodshed, sabotage, destructive in their makeup and equally dangerous in their doctrines. John L. Lewis and his hand-picked autocrats, who presume to speak for Labor, should not be confused with the patient, laborious *American*, open declaration of the American Federation of Labor in its fairness and justness to adjust the life of all toilers to a more amicable tenure. That is the doctrine of sweet ness and helpfulness for our fellow creatures, the beauty of which realization my father years ago taught us as children in our home. Persecution, slander, villification and blacklisting for work, were his and many of the early pioneers of the tenents of Labor.

Age has sweetened it, the glories of its adventure brings me consolation in my years today —now almost 65 years of age. Friends and companions, associates, have passed and gone. I, too, shall walk some day through the darkened valley that leads into the Great Beyond. Other hands and minds shall continue this great work of amelioration to mankind in his material needs, but the thought and possessive assurance that, while we have not left "any footsteps in the sands of time," we have at least in some epoch or part of our lives used whatever talents and intelligence a Divine Creator so graciously bestowed on us in a righteous way and in conformity with His expressed wishes and desires and precepts. That the experience we adventured into and the gracious warmth and affection we

brought into this campaign was returned in full measure by those who gave us a hearing and realized the truthfulness of the consoling, beneficial rewards to all concerned.

And in conclusion, may I in all modesty offer the hand of fellowship to this friend and to all who have misconstrued our motives and desires, offering no specious promises, no overturning of the universe, but a consistent, persistent up-building of our families and those near and dear to us in this campaign of honesty, worthiness, to rectify the conditions and contribute in a greater degree of happiness and more contented life to those who labor for their daily bread, than heretofore? It is true we have not amassed wealth, social position or honors, as the world gives, but the consciousness that we have taken no undue vantage that the smiling faces of the people of America and their progeny see eye to eye with us, is sufficient. That transcends all honors. Contrast present conditions today with the past, and may I quote from a poet of an earlier period (Thomas Hood, 1839), 100 years ago, speaking of labor at that time and the hopelessness and misery which existed:

With seasons what have you to do?
If corn doth thrive and wheat is harmed,
What's weather to the cropless? You
Don't farm—but you are farmed.
Why everlasting murmurs hurled
With hardships for the text?
If such as you don't like this world,
We'll pass you to the next.

Executive Aura

LANGDON TOWNE, the young artist in Kenneth Roberts' historical novel, "Northwest Passage," made this statement about the dynamic Major Rogers: "I thought I could feel an emanation from him—a sort of warmth as from a hidden flame. It was this flame, this warmth that forced his men on and on when it seemed that they could not possibly go forward."

How about your executive aura? Is it like a flame, setting your men afire with inspiration and enthusiasm? Do those who come in contact with you go away with new courage and new hope burning in their hearts? Or is your personal atmosphere so cold and negative that it has a depressing

and discouraging influence on those who touch your life?

Napoleon's presence on the field of battle was said to be equal to thousands of soldiers. What a radiant personality he must have had! The success of an army depends upon its leaders. And that goes for business success, too! Executives must be inspirers, coaches, teachers, cheer-leaders.

A firm rises no higher than the ideals and courage of the men who provide the leadership. Thoughts are things. Your dominant mental-attitude is reflected in your organization as in a giant mirror.

11 Union Strong

THE STORY OF THE AXTON-FISHER TOBACCO COMPANY

FROM an humble beginning forty-one years ago, an ambitious grocery salesman with a definite idea of success and a small amount of cash founded the firm which is now nationally known as the Axton-Fisher Tobacco Company. Wood F. Axton, the erstwhile grocery salesman, and eleven Union Crafts carved this achievement in the record of true American industry. It continues today in the same harmonious co-operation that surmounts biased criticisms and overcomes all obstacles. Its enviable position of leadership is a monument to a record of forty-one successful and peaceful years of operation—a tribute to Wood F. Axton and organized labor and to their mutual understanding of, and consideration for the other's problems.

No story of the rise and success of this organization which, today, employs almost 1,000 Union workers, would be complete without, first, a picture of the man who is directly responsible: Woodford Fitch Axton—better known to his friends and employees as Wood Axton.

Colonel Wood Axton was of large stature, an amiable disposition and a profound feeling for his fellow man. His will was strong, and though not prone to make hasty decisions, once he was convinced of the right of his principles, he had undaunted courage of his convictions and an indomitable will to perpetuate his ideals.

The Colonel, like many other Kentuckians, learned to distinguish tobacco qualities, even though not directly engaged in tobacco growing prior to his actual connection with the industry. This fore-gained knowledge proved invaluable to him later. He quickly became one of the leading authorities on leaf tobacco, and was able to obtain the finer types and grades of leaf for all his products. He not only maintained complete supervision of leaf purchases before manufacture, but delighted in visiting the various tobacco markets during the selling seasons.

Wood Axton's advent in the tobacco business came about through his feeling for another's problems. It was in 1899 that a customer of his needed \$60 to meet an obligation. Meager though his earnings were as a grocery salesman in comparison with his later years, Wood Axton provided the necessary money. Transpiring events led him to accept as payment of that debt his first tobacco-preparing machinery. His for-

mer debtor, in Owensboro, Kentucky, operated the machinery and Axton introduced and sold his own tobacco products. His sincere, earnest manner enabled him to plant his brands firmly in the communities where he was known. But it was far from easy sailing for Wood Axton—he had many obstacles to overcome, but his tenacity of purpose and his determination to carry on proved more than equal to the tasks ahead.

Through those early years, it seems, according to Wood Axton's methods and accomplishments, that the sale of his tobacco products was more the means to an end rather than of personal importance. Always a warm supporter of the policies, aims and ambitions of Union labor, Wood Axton directed his untiring energies, activities and interests to the perpetuation of the tenets of which he considered and held paramount to mutual success. His tobacco products made it possible for him to pay Union wages to his loyal Union employees, for, to him, the Union label, which is today as then on every package of all Axton-Fisher products, was the symbol of "mutual responsibility for the welfare of all."

So from the first it was only natural that Wood Axton should operate a "closed" shop (and that was long before Labor grew to its recognized position in industry or won the public acceptance it now, so justly, enjoys). But to assure employment and continuation of Wood Axton's ideals, distribution and acceptance of his products was essential. He had to meet competition—to prove by public use that his products were preferable to other established quality brands.

Much could be written of his unceasing activity, his long trips through his territories, winning friends and support of his principles and for his products—or of how he met and overcame obstacle after obstacle by sheer aggression and faith in his beliefs. But the story is so capably illustrated by results that words are useless. His struggle is best told by the warm accord and respect of his friends and by their recognition of his sound judgment and business ability.

His business had succeeded through these early years to such extent that it became necessary to have someone supervise production during his absence from his plant. So he formed a partnership with George H. Fisher (who passed

away during the 20's), although Wood Axton continued to own his company about 80 per cent. His cigarette and smoking tobaccos in the middle twenties were Old Hill Side and Old Loyalty; his chewing tobaccos were comprised of White Mule, Booster Twist, Axton's Natural Leaf, Pride of Dixie, Eight-Hour Union and Wage Scale; and Clown cigarettes were his only "tailor-made" smoke. This zealous desire for quality in materials and workmanship has given all his products an inimitable mark of distinction. Moreover, these were the Axton-Fisher brands that popularized the Axton-Fisher Tobacco Company and were the foundations for the mammoth expansion program destined to lift to its present position of nation-wide prestige and recognition a tobacco company that stands as a monument to the cooperation of labor with the perseverance and leadership of Wood Axton.

The plant had been moved, at this time, from Owensboro, Kentucky, to larger quarters in Louisville, Kentucky, although Wood Axton continued to operate a strictly local business throughout the Ohio Valley. He had no ambition to conquer the country in a devastating advertising program because he wanted to be certain that he would not sacrifice the interests of those loyal employees and co-workers who placed their faith in him. In this attitude he acted the same as when he introduced a new product—that product must prove its value in a community before Wood Axton would promote it, and Wood Axton was not tempted by glittering promise of new fields at the expense of his employees.

And then came the turning point. Wood Axton was soon to be able to provide more work for more Union labor. That turning point was Spud cigarettes—the genuine and original mentholated cigarette. And Spud cigarettes are another illustration of the loyalty and devotion to principle that so strongly characterizes the patriarchal character of Colonel Wood Axton.

"Spud" was an individual—a son of a coal miner and former Union organizer of eastern Ohio. It was "Spud's" mother who recommended that he inhale menthol fumes to relieve the distress of a cold, but "Spud" preferred to inhale cigarettes. As a compromise, he combined, in a crude manner, the soothing benefits of menthol with his cigarette tobacco, and made it into cigarettes. He passed the cigarettes around to railroad men and mill workers, friends and acquaintances of his father. Soon he started selling them and the cigarettes became known as

"Spuds." That was the beginning of Spud cigarettes.

Spud patented his mentholating process, continued to sell cigarettes and finally formed the Spud Cigarette Company. In May, 1926, Spud contracted with Axton-Fisher to manufacture Spuds and, finally, in that same year, Colonel Axton purchased the name and all rights to manufacture and sell Spud cigarettes as a product of the Axton-Fisher Tobacco Company. Today, although some advisers have recommended a change of name, the original soothing mentholated cigarette retains the name of Spud—a loyal tribute to its originator.

The first eighteen or twenty months of Spud sponsorship were not without difficulties. Sales surged and fell, obstacles presented themselves, distribution was to be effected, yet through it all, Colonel Axton never lost faith—never swerved in his judgment. He held to his purpose, and finally, in April, 1928, the Axton-Fisher Tobacco Company embarked on its first national advertising—the beginning of its meteoric rise to nation-wide prestige and importance.

That advertising proved that people like Spud cigarettes because they are so refreshing, seem to freshen up the mouth, and are considered welcome smokes during colds or coughs. In addition, people enjoy the soothing menthol flavor so perfectly blended with rich tobacco satisfaction. That was enough for Wood Axton to know. He had justified his opinion and his faith. Now he was ready to go ahead full steam—he envisioned then the success that the company he founded enjoys today.

The depression gave birth to Twenty Grands, the 10-cent cigarette that swept the country by storm. Perhaps the Colonel's love for horses prompted the picture of the race horse on the white package, but the race horse today is symbolical of the thoroughbred cigarette, and the name indicates "Twenty Grand Smokes." Whatever the meaning and symbolism of picture or name, it is another tribute to the personality of Wood Axton, that the cigarette produced during the depression period of 1932, to give a guaranteed quality smoke at a price of only 10 cents, continues in popularity today to challenge the claims of more expensive cigarettes.

Today the completely modern plant of the Axton-Fisher Tobacco Company in Louisville is the result of the close cooperation and understanding accorded, on the one hand by Colonel Axton to Labor, and on the other hand by La-

bor, individually and as a unit, to Colonel Axton. Eleven different crafts, each with its own contract, function efficiently and cooperatively under one roof — each craft affiliated with the American Federation of Labor.

Concentrated as Colonel Axton was on the moral and spiritual aims of his employees, he never lost sight of their physical comfort nor left a stone unturned to provide them with the best of facilities his means could supply. For example, the big plant at Louisville maintains a bright, cheery dining room cafeteria where perfectly balanced meals of good food, expertly prepared, are provided the workers for only 10 cents a meal. This charge covers only one-third of the cafeteria and food cost. The remaining amount is paid by the company.

The company provides safe and healthful working conditions and, through the cooperation and intelligence of the employees, has reduced accidents at least 75 per cent., and in addition has won two certificates of award—one for 313,000 man hours and the other for 675,000 man hours without a single loss time accident, both awards since the company joined the National Safety Council.

Axton-Fisher was one of the first to provide low-cost group insurance for its workers with minimum policies for \$1,000 each. The cost is apportioned between the worker and the company. The total amount of the policies is well over \$1,000,000, and the insurance covers death and permanent disability as well.

In addition to the insurance, a plan is in effect which compensates employees for the time lost due to illness based on 60 per cent. of his weekly wage and special arrangements for five weeks up to indefinite periods for receiving sick benefits.

First aid is maintained by the company under direction of a registered nurse, paid by the company. It's a miniature hospital with all modern facilities of first aid and for treatment of minor injuries under doctor's direction.

A Credit Union was formed in 1935, primarily to render assistance to employees, but now offering services for both savings and loans. Over 80 per cent. of the employees participate, although participation is not necessary before borrowing from it. Never has there been a lower return on savings than 6 per cent., and although over \$150,000 has been lent to employees since its inception less than five years ago, only \$8.75 has never been repaid.

But all these are only some of the many benefits provided by the Axton-Fisher Tobacco Company on behalf of its employees. Countless other incidents and policies could be recounted, such as the morning and afternoon rest periods of fifteen minutes each, the friendly cooperation of the management and the understanding of individual and collective problems. But recounting these special benefits would only serve to show the numbers of ways in which Colonel Axton evidenced his feeling and enthusiasm for labor and the laboring man. It is best summed up by an excerpt from a talk by the founder of the Axton-Fisher Tobacco Company, Colonel Wood F. Axton, wherein he stated:

"If we have in relations with our employees set a standard worthy of emulation on the part of other employers for the betterment of those who toil, and if we have in a measure succeeded in helping to effect a clear understanding of the organized labor movement, then WE FEEL OUR EFFORTS HAVE NOT BEEN IN VAIN."

Leave Them Laughing

TO THOSE WHO HAVE ASKED the master showman, George M. Cohan, the secret of his success he always has replied: "Leave them laughing. Drop your last curtain on a yell of good humor."

Those who sell things might well adopt this same philosophy. Leave your prospect in good humor and the door will be open for you on your next call. Even if you lose the order today, remember there are many tomorrows coming. So take it without sobbing or self-pity. Leave your prospect

with this thought in his mind: "There goes a good sport." Then watch the way he welcomes you when you come back after the next order!

Salesmen really are in the show business. They must take the "Laugh, clown, laugh" attitude if they want to stand the gaff. They must develop the saving-grace sense of humor.

Prospects are attracted to the cheerful man as steel filings to a magnet. Leave your prospects happy and they will remember you pleasantly. They will be glad to see you when you come again.

Compliments of
A FRIEND

Industrial Homework¹

By OSCAR W. ROSS, *Examiner*, Hearings Branch, Wage and Hour Division

INDUSTRIAL homework, the manufacture in homes of goods for which material is furnished by the employer, has been a problem in this country for more than a century. Long before the invention of the sewing machine revolutionized the ready-made clothing industry, Matthew Carey (1828) was calling attention to the wretched working conditions of some 20,000 women homeworkers sewing garments in New York, Philadelphia, Boston and Baltimore. In 1883, New York State passed the first homework law in the United States. It was entitled "An Act to Improve the Public Health in the City of New York by Prohibiting the Manufacture of Cigars and the Preparation of Tobacco in Any Form in the Tenement Houses in Said City."

The New York Law of 1883 was the result of an intensive campaign by the Cigar Makers' Union. It marked the beginning of a long struggle by organized labor to eliminate industrial homework through legislation or collective agreement. During the 1890's and the early years of the twentieth century, a number of strikes in the garment trades of New York City and Chicago led to a series of protocols prohibiting homework, first in the manufacture of cloaks, suits and skirts, and later in other branches of the clothing industry. In August of 1912, the Executive Council of the American Federation of Labor issued a declaration describing homework as "demoralizing to the men, women and children engaged in it" and pledging its aid "to the fullest of its ability" in the effort to abolish homework.

Private organizations, such as the National Consumers League and the National Child Labor Committee, joined the fight against homework. For years they have been advocating its prohibition. One investigating commission after another in the State of New York condemned homework and urged its elimination. Since 1920, when its first bulletin on homework appeared, the Women's Bureau of the United States Department of Labor has stood for the prohibition of homework. There is scarcely a pamphlet deal-

ing with this subject, published by the Federal Department of Labor, which fails to argue that the public welfare would be improved by its eradication. With an unvarying regularity, every National Conference on Labor Legislation (there have been six since the first in 1934) adopts a resolution supporting its abolition. In the United States the prohibition of homework is not merely a goal; it has become a tradition!

By 1931, twelve states had laws which provided some specific regulation or partial prohibition of homework. A few years later the National Industrial Recovery Act was passed (June, 1933). While the Act contained no reference to industrial homework, 118 of the 556 basic codes approved under the National Recovery Administration included homework provisions.² Of these, 101, or 86 per cent., prohibited homework. Not all of the codes with homework provisions covered industries in which homework was actually done. In such instances, the homework clauses were inserted simply as a matter of principle, usually upon the insistence of the Labor Advisory Board. However, the large number of codes which prohibited homework showed that the traditional attitude, rather than being weakened by the depression, was reaffirmed and accepted as sound public policy in times of widespread unemployment and declining wages.

The Schechter decision brought the code system to an end and returned the problem of industrial homework to the states. This was a matter of grave concern to many public officials who realized how simple it was for homework employers to evade state control by sending out work to be done in homes across state boundary lines. In 1935, at the Second National Conference on Labor Legislation, and again at the 1936 meeting of the International Association of Governmental Labor Officials, it was suggested that the standing Committee on Industrial Homework of the National Conference explore "the possibilities of Federal Legislation to control the passage of industrial homework in interstate commerce."

¹This article includes a review of "Industrial Homework, An Analysis of Homework Regulation Here and Abroad," by Dr. Ruth E. Shallcross, Industrial Affairs Publishing Co., New York, N. Y., 1939.

²From the official report, "N. R. A. and Industrial Homework," Labor Studies Section, National Recovery Administration, Division of Review, March, 1936, by O. W. Rosenzweig.

Beginning in January, 1937, activity in behalf of national wage and hour legislation was intensified. The result was the Fair Labor Standards Act, signed by the President on June 25, 1938. This Act, like the N. I. R. A., did not mention industrial homework per se. There is evidence, however, that Congress intended homeworkers to be included in the definition of "employee" contained in the Act.³ When the bill finally enacted was being considered on the floor of the Senate in July, 1937, Senator Murray introduced an amendment specifically providing that a labor standard order should include restriction or prohibition of industrial homework.⁴ Because the law, as passed, took the form of fixed minimum wage rates and maximum hours on a national basis without provisions for general regulatory power for the Administrator, no special reference to homeworkers was included, probably because it was felt that these workers were already covered by the term "employee."

It should be noted that the wage rates fixed in the Fair Labor Standards Act are on a time basis, that is, so many cents per hour. Since it is practically impossible to keep accurate records of time worked in homes, and since the common practice among employers is to pay for homework labor on the basis of piece-work rates, a serious problem of administration was immediately created. Most foreign countries which approach the problem of homework through the establishment of minimum wages provide for the setting of piece-rates or, if time rates are to be fixed as base rates (as in England), provision is made that "piece-rates must be such as to enable an ordinary worker . . . to earn per unit of time not less than the minimum time rate."⁵

While the Act conferred upon the Administrator no general rule-making power, it became necessary for him to issue a series of bulletins which announced those interpretations of the law which would guide him in the performance of his duties. The first of these Interpretative Bulletins stated, among other things, that "since the Act contains no prescription as to the place

³ Section 3(e) of the Act defines "employee" as "any individual employed by an employer." Section 3(g) defines "employ" to mean "to suffer or permit to work."

⁴ For discussion in the Senate, cf. pp. 7890-7891, Vol. 81, Pt. 7, Congressional Record. For discussion in the House, cf. p. 1784, Vol. 82, Pt. 2, *ibid.* Congressman Maverick opposed an agricultural amendment because he feared it would result in exempting industrial homeworkers in Texas engaged in shelling pecans.

⁵ International Labour Office, "The Minimum Wage, An International Survey," Geneva, 1939, p. 109.

where the employee must work, it is evident that employees otherwise coming within the terms of the Act are entitled to its benefits whether they perform their work at home, in the factory, or elsewhere." In January, 1939, a public hearing was held to determine whether the record-keeping regulations, issued by the Administrator, should be amended to provide for special or additional records to be kept by employers of industrial homeworkers. Many officials of the Wage and Hour Division privately expressed concern with the efficacy of time-keeping record regulations in the field of homework, but agreed that since the wage rates in the Act were fixed on a time basis, the Administrator had little choice but to make an effort at least to require the keeping of such records by homework employers. Special regulations on this subject made their appearance in February, 1939.

In order to dispel a number of misapprehensions that arose, the then Administrator, Elmer F. Andrews, issued a statement which explained that homework was not prohibited by the Fair Labor Standards Act. The Administrator again emphasized the point that while "the Act makes no mention of homeworkers . . . it applies to this class of worker exactly as it applies to all other employees of firms or individuals engaged in commerce or in the production of goods for commerce." "In other words," he said, "all workers so employed must be paid at a rate not less than 25 cents an hour (author's note: this was the minimum at that time), even though such work is done on a piece-work basis and in the home. The overtime provisions of the Act requiring payment at not less than the rate of time and one-half for all hours in excess of 44 worked in any one work-week applies to homework as well as work done in a factory."

It is perhaps too early to say with finality what the ultimate effects of the Fair Labor Standards Act will be on industrial homework in the United States. To date, in twelve homework cases under the Act, forty-eight companies are bound by consent decrees to pay almost a half million dollars to approximately 12,000 homeworkers.⁶ Most writers on the subject agree that the low wage rates paid to homeworkers is the chief reason why the system exists. If this is the case, then homework cannot long survive. In some industries, employers must increase their piece-rates by 200 or 300 per cent. (and even

⁶ These figures were compiled for the author by the Docket Clerk in the law library of the Wage and Hour Division's Legal Branch. They constitute the best estimates that can be made at the present time.

(more) if their homeworkers are to earn at least the present statutory minimum of 30 cents an hour. At best, the homework system of production is inefficient. Whatever competitive advantages a homework employer may have, due to lower wage payments and savings on overhead cost, are offset by the higher productivity of inside workers and the greater opportunities in factories for control of the quality of output. More and more business men who have employed homeworkers are coming to realize this. Furthermore, for many years, homework, which consists mainly of hand processes, has been fighting a losing battle against the inroads of mechanization. Establishment of a minimum wage for homeworkers is likely to accelerate the "natural" economic forces which have been at work for a long time.

In any event, it cannot be said that the problem of industrial homework has been solved by the Fair Labor Standards Act. The Congress may be called upon to consider amendments to the Act dealing with this subject. Already a number of such amendments have been proposed. One of them gives the Administrator power to fix piece-rates. Many well-informed students of homework believe that it would be distinctly unwise for the Administrator to become involved in the task of fixing piece-rates. There is no denying that such a responsibility would present problems very difficult to solve; for example, those resulting from changes in fashion and in techniques of production. However, in the opinion of the writer, they would not be insurmountable. Piece-rates are set almost every day by employers, by Unions, and in other countries by public bodies. Certainly, if the Act is to have any application to the needle-work industries in Puerto Rico, with their 50,000 or more homeworkers, the only practical basis upon which to establish rates would be piece-work rather than per unit of time. In making this statement, the author realizes that the economy of Puerto Rico, especially the insular homework problem, is such that it may require special minimum wage treatment.

The appearance of a book on industrial homework during a period when an agency of the Federal Government is attempting to enforce a minimum wage for homeworkers is especially timely. Dr. Ruth Shallcross is qualified to write on this subject by five years of experience with the Bureau of Homework Inspection, New York State Department of Labor. Before the outbreak of the present war she spent some time abroad

where she studied English and German methods of controlling homework.

Thoroughly impressed with the foreign experience, Miss Shallcross announces her opposition at the outset to the "traditional" attitude towards homework in this country. "After reading the literature on the subject of homework," she says in her preface, "the author began work with the Bureau of Homework Inspection fully convinced that homework was indeed 'sweated' and was a social and economic evil which could be removed only by complete legal prohibition. . . . If I had written a book after visiting homeworkers for only six months of one year, my contribution undoubtedly would have reiterated what has been said many times over, that homework is an evil. But I stayed on, visiting homeworkers for five years . . . and I came to know that homework, rather than causing poverty, as I believed, actually relieved it."

There is not space here to take up all of the provocative statements in the book. However, for the purposes of this review (since our chief interest is in the relation between homework and minimum wage legislation) the main arguments may be summarized as follows:

(1) Homework hourly wage data are extremely meager and do not support the conclusion that the homework problem is one of wages. Some homework industries pay low wages and others either fluctuate considerably in their wage payments or compare favorably with factory wages.

(2) The striking variations among the hourly earnings of homeworkers is sufficient to discredit the use of the median in computing these wage data. This is particularly true where median weekly earnings are given without regard to hours worked.

(3) Wage data for homeworkers are not likely to be reliable because they depend upon rough estimates. These in turn are obtained from interviews with homeworkers in which the memory of the individuals is the chief source of information.

(4) The purpose in controlling homework wages by setting minimum rates is to remedy low-wage conditions; the setting of a rate must, therefore, accomplish this purpose without forcing homeworkers into unemployment. Fixing the same hourly wage rates for factory as for homeworkers whose employment is their secondary occupation would eventually eliminate such homework. There is the likelihood that

state interference in the case of homework wages would result in swelling the ranks of the unemployed.

(5) Any legislation which has the net effect of taking employment away from homeworkers is not only harmful to the homeworkers themselves, but also to society as a whole. To heighten productivity, and hence to increase total income, is beneficial to society, and each person should be allowed to work as he is able toward increasing the total welfare.

(6) The argument that homework is unfair competition with factory work since it jeopardizes factory standards cannot be substantiated. If homework employers actually had such a competitive advantage over factory employers, they would be more prosperous than factory employers and investments would seek homework industries in preference to factory industries. But this is not the case. Capital is not flowing into homework industries in preference to factory industries, nor are homework employers prosperous.

We shall now undertake a critical analysis of some of these arguments. No serious-minded student of the problem of industrial homework will contend that presently available data on the earnings of homeworkers are either complete or perfect. Nor will such a person, on the other hand, reject all the evidence merely because some of it may be in error. There can be no quarrel with the soundness of Miss Shallcross' warning that "With statistical information on homework wages so meager and so hard to interpret, every precaution must be taken against making dogmatic assertions." However, when she argues that the wide variation in homework earnings discounts the belief that the homework problem is one of wages and asserts that "If homework were the cause of low wages, all homework wages would cluster around the same low level," it is necessary to examine the grounds of her argument.

First, it should be pointed out that no one seriously maintains that homework is the "cause" of low wages. Rather, it is believed that low wages are the invariable accompaniment of the homework situation. The reasons for this are many. Even Miss Shallcross admits that homeworkers work at home because of economic need. Generally, the need is so great that families doing homework are willing to accept extremely low rates for their labors. Furthermore, homeworkers are isolated from the labor market. They have no knowledge of prevailing wage rates for

their type of work and are without any basis for judging what they should properly be paid. As a result, homeworkers have very little bargaining power. And, since there is no limit to competition on the supply side of the homework labor market, the homeworker ordinarily has no defense against the employer who can survive only by reason of his low labor cost.

In her statistical analysis, Miss Shallcross expresses doubts as to the usefulness of the median as a measure of central tendency in homework wages. The median is most commonly used by homework investigators. Her reason for questioning the efficacy of this measure is based upon the fact that the median hourly earnings in New York homework industries for the twelve-month period ending January, 1938, showed wide variation. By taking a median hourly earning figure for each month, Miss Shallcross presents a range for the whole year and concludes that "The simple range is probably the only statistical tool which could clarify the data."

But a range necessarily consists of the extremities of the distribution. And extremes of this kind show, if anything, the *unusual* circumstances rather than the typical. The writer does not have before him the raw material from which Miss Shallcross derived her figures, but he strongly suspects that there is some cluster about a mid-value. In a study by the Children's Bureau⁷ covering a sample of 1,044 homeworkers, there is a decided concentration about the median of 9 cents an hour. In fact, the model class (5 cents to 10 cents per hour) included 394 or more than one-third of the total number of homeworkers. Miss Shallcross is correct in her criticism that most studies of homework wages are defective in that samples are not as representative as they might be, but a sample of 1,004 homeworkers in twenty-eight industries and in seven states is not to be so lightly dismissed. Would the range in this instance (5 cents to 40 cents) tell us anything significant about the data? The answer is obvious. Miss Shallcross quotes Professor Chaddock (*Principles and Methods of Statistics*) to point out that an average must be typical of actual conditions, not merely the result of mathematical calculations. It would seem more pertinent to cite his comments on the short-comings of the range: "While this is the simplest measure of variability," he says, "it is also the least informing. It

⁷ U. S. Department of Labor, Children's Bureau, Pub. No. 234, "Industrial Homework Under the National Recovery Administration," 1936, Table 3, p. 14.

gives no idea of the nature of the distribution within (the) extreme limits. . . . It fails to characterize in a useful manner the series as a whole if stated alone, and ignores the degree of concentration almost entirely." There is also an important non-statistical fact that should be noted at this point. Extensive field studies involving large and more fully representative samples take much time, money and personnel for which most government bureau budgets do not provide. It is this fact which explains the imperfection and the paucity of available homework wage data. They are the best we have, however, and there is no reason to reject them. If carefully analyzed they tell a fairly consistent story: that low wages are the rule rather than the exception in homework.

The fact that much of the wage data depends upon the memories of homeworkers is a weakness, of course. But in the absence of more accurate sources of information, the student of homework is forced to rely on material obtained from interviews. The data from which Miss Shallcross draws certain inferences regarding the questionable value of the median were also tabulated as the result of interviews with homeworkers. There is no justification, however, for a remark of such extreme skepticism as "No statistical bureau of any repute would handle data obtained from the memories and estimates of the workers themselves." The Bureau of Labor Statistics has on many occasions worked with such data, as have other "reputable" government agencies dealing with statistics. Large advertising firms and marketing research bureaus in New York City conduct costly and elaborate surveys, the ultimate information for which comes from the memory of the consumer.

Miss Shallcross is quite right that the purpose in controlling homework wages by setting minimum rates is to remedy low-wage conditions. In Belgium, France, Great Britain, and, indeed, in almost every country where a minimum wage is established, the object is to protect workers in "sweated" industries. Miss Shallcross warns, however, that if the same hourly wage rates are fixed for homeworkers as for factory workers, the former will be forced into unemployment. As far as the Fair Labor Standards Act is concerned, the Administrator is given no authority to provide for a wage differential in favor of homeworkers. But even if he were, unless it were mandatory to do so, it is doubtful if he would avail himself of the opportunity. In this connection it is interesting to note that in more than twenty British homework industries

having trade boards in 1937, the same rate was set for both home and factory workers except in one case.

On the whole, Miss Shallcross is inclined to be unduly pessimistic regarding the possible effects of a minimum wage on homework. In fact, her whole attitude toward a government-established minimum wage seems to be negative. Students of minimum wage legislation recognize that, as business adjusts to the requirements of a fixed minimum wage, some marginal concerns will give way to more efficient enterprises and some marginal workers will be displaced. But is this "harmful" to society as a whole? It is a commonplace of elementary economics that higher wages tend to make labor worth more (a) by increasing the efficiency of workers themselves, i. e., improving their production, their health and fitness, their attitude towards the job (all of which result in reducing labor turnover), etc., and (b) by increasing the efficiency of management. As a noted economist has said, "Cheap labor, like cheap raw material, is likely to be used wastefully. But let labor become substantially more expensive, and managements become more concerned with how much they get for their money. . . . The experience with minimum wage laws furnishes abundant evidence that higher wages tend to improve the management of labor."⁸ From the point of view of the economy as a whole, the shift from inefficient firms of low productivity which can live only by sweating labor to more efficient enterprises capable of paying higher wages, cannot help but be beneficial.

While we can only speculate on the ultimate fate of homeworkers under a national minimum wage in the United States (barring, of course, a drastic amendment exempting them from the Fair Labor Standards Act), we can turn to the English experience for a few clues as to the probable course of future events. It will be noted at a glance that the picture by and large is not so dismal as Miss Shallcross would have us believe. In her discussion of the effect of the British Trade Boards upon the employment of homeworkers, Miss Dorothy Sells states that "In some industries . . . it is the policy of employers to bring the homeworkers under cover of the factory roof. In wholesale tailoring or any other industry where homeworkers have been displaced by introduction of machinery, part of those who formerly worked at home or younger members

⁸ Sumner H. Slichter, "Modern Economic Society" (revised ed., 1931), p. 647.

of the family have found jobs behind machines. In other instances better filled pay envelopes brought home by male breadwinners had made up for the loss. . . . In other cases where aged or indigent members of the family no longer have the opportunity even to earn a pittance as they sit by the fireside, a real loss of self-respect as well as in money income has been suffered. But on the whole, the reduction in 'sweated' homework has meant elevation to a higher industrial status both for the former homeworkers and for the industry which had previously profited by 'grinding the faces of the poor'.¹⁰

Early in her book, Miss Shallcross takes others to task for "thinking in absolutes," yet this is precisely what she herself does in analyzing on an entirely a priori basis, the effects of a minimum wage on homework. She seems to be saying over and over again that a minimum wage is bound to produce unemployment among homeworkers and that this is bad for society as a whole. She overlooks the possible beneficial effects on the total economy that may result. She ignores evidence of the type presented in Miss Sells' recent book. Looking closer to home, she ignores such tangible evidence as the experience of the New York State Department of Labor specifically with its Homework Order No. 3, which prohibited homework in the artificial flower industry.

In October, 1939, a hearing was held in New York on the question of reopening homework in this industry. Prior to the hearing, the Division of Women in Industry and Minimum Wage made a special survey of the problem. Among the conclusions of the report were the following: (1) A considerable number of manufacturers in the industry have shifted to factory production exclusively; (2) the order has increased by one-third the employment of women in factories; (3) a majority of the employers who expressed their views regarding the order are in favor of it.

In commenting on the testimony given at the hearing, Labor Standards states that "former industrial homeworkers testified that the wages were better and the hours more regular in factory employment. One girl said she earned \$14 a week at regular hours in the factory, whereas the whole family had never been able to make more than \$12 or \$13 working seven days a week until one or two o'clock in the morning in the busy season. Another woman who had received \$8.12 for her best week—working sixteen to seventeen hours a day and taking her meals right

¹⁰ Dorothy Sells, "British Wages Boards," 1939, p. 307.

at the homework table—said that she now averaged \$16 to \$18 a week for $37\frac{1}{2}$ hours work in the factory."¹⁰

Another point must be made in connection with Miss Shallcross' oft-repeated admonition that "state interference in the case of homework wages would result only in swelling the ranks of the unemployed." She distinguishes between homework as a primary occupation and homework as a secondary occupation, but fails to reason through the implications of the difference between them.

A further distinction needs to be made between those who may become unemployable through the application of a minimum wage to homework and those who may become unemployed. The old lady who does homework just to keep busy for a few hours during the week and earn a little pin money (a typical example of homework as an incidental or secondary occupation) may be classed as "unemployable" if deprived of her homework; but, since she was not available for full-time industrial employment shortly before or even after the cessation of homework, she cannot be numbered among the unemployed.

With this distinction in mind, it is plain to see that the volume of real unemployment that may result from the application of a minimum wage for homework is likely to be negligible considered from the point of view of total national unemployment. Moreover, as indicated above in the quotation from Miss Sells and in the reference to the report on prohibited homework in the artificial flower industry, some homeworkers are bound to find employment in factories when homework ceases. This tends to reduce still further the unemployment which Miss Shallcross fears will be the consequence of a minimum wage for homeworkers.

Miss Shallcross' argument that homework employers have no competitive advantage over factory employers, because if they did they would be more prosperous, and if they were more prosperous capital would flow into homework industries, represents a confusion of economic theory with economic fact. In the first place, "prosperous" is a word of pretty loose meaning for an economist to use without statistical data of some sort to give it specific content. Clearly, homework employers are not as "prosperous" as some steelmasters or big bankers. On the other

¹⁰ Labor Standards, Vol. II, No. 9, November, 1939, p. 49. Published by the Division of Labor Standards, U. S. Dept. of Labor.

hand, they are likely to be a great deal more "prosperous" than their homeworkers. The writer knows of no report to show the earnings of homework employers in relation to their sales or investments. That is because homework employers are not as a rule of the type that will keep careful records in accordance with the best accounting methods. At any rate, the whole truth is not known.

However, there are a few fragments of evidence that might be offered at this point. Recently the Research and Statistics Branch of the Wage and Hour Division sent out a questionnaire to a number of members of the knitted outerwear industry. Of the 120 returns, there were ten firms in each of which infants' wear constituted 60 per cent. or more of its total product. There is reason to believe that all of the ten companies used some homework labor, but that six of them produced almost exclusively through homeworkers. The item combining salaries and returns to executives and owners, and profits or losses, averaged 6.8 per cent. of net sales for all the 120 manufacturers reporting, and 8 per cent. for the ten infants' wear producers reporting. Two of the ten showed slight losses, but the remaining eight firms showed net profits ranging from 8 per cent. to 21 per cent. of sales.

In the second place, the point that capital is not flowing into homework industries cannot be

taken too seriously. Businesses that use homework labor are notoriously small-scale enterprises and highly competitive. The largest of homework firms (and even of factory firms using some homework) are economic midgets compared with the typical business units in such industries as iron and steel, automobiles, etc. Capital does not flow into homework industries simply because there is no place for it to flow. It would be impossible to manufacture in homes any products that would require considerable capital investment in heavy machinery. Large fortunes are made in mass production industries where there is a minute subdivision of labor organized around the machine. For this purpose, factories must be built to house the machines, and workers must perform their productive labors in the place where the machines are located.

In appraising Miss Shallcross' book, one must admit that she has made a challenging and stimulating contribution to the literature on industrial homework. It is to be hoped that all public officials who deal with problems of homework will read this volume. If their convictions about homework survive the challenge of her attack, it will be only because they have re-examined the foundations upon which those convictions rest and are honestly convinced that the greater public good lies on their side of the argument.

I Am An American

THIS is my story.
I am an American citizen.

My name doesn't matter. It may be John Smith, or it may be Johann Schmidt, or it may be Jan Kuczinski, or it may be Juan Carlos Morelos.

It doesn't matter, either, whether I was born here, or whether I came from another land and decided that this country was to be my country.

So, I am an American citizen. Let it go at that. It is all that matters, in this story of mine.

I know that a great many things are still wrong in this country. It would be foolish to pretend that nothing is wrong.

I have seen times when I had no job, and those were pretty blue times.

I have been in circumstances where other men seemed to get the best of me in money matters. That happens to a good many men.

I have seen prices for some things that I needed go so high I couldn't buy them.

But these are things that can be fixed, and there are a great many things that used to be wrong but have been fixed. Somehow we seem to keep fixing more and more things all the time, so that less is wrong and more is right.

I have read some books and I have studied the Constitution. I know that when the Constitution was ratified by the states it was the best document its framers knew how to draft—the best document that stood any chance of getting ratified by the states.

The Constitution is still a great document, but we know it was the result of compromise. It is still great partly because the framers had the good sense to open the way for changing it as time went on. It has been changed twenty-one times, by amendment.

When the Constitution was adopted, there were many men who couldn't vote. But the nature of the Constitution itself compelled political progress and today every man and woman can vote.

I can vote and I do vote. That is one of the biggest things I get from being an American citizen. I have a "say" about things.

I wonder how many people realize what it means when we say we can vote—all of us.

Well, it means that all power is in the hands of the people. I am only one of many millions and many times things don't go the way I vote. I think I'm right and the majority is wrong; but that's how it is in a democracy, where everyone can vote. There are majorities and minorities. The majorities sometimes think I am wrong, and the others who vote the way I do.

So, if my way is to win out and be effective when I am on the majority side, then when I am on the minority side, I have to stand for making the majority will effective, too.

Unless we keep on doing it that way, we shall ruin everything. Unless we have some happy day when all agree on everything we will have majorities and minorities and the majority will have to have its way.

If we look back, we see that this has worked pretty well. No other system ever did work so well.

To abide by majority will mean that we have a government of law, under a constitution.

It may seem curious, but I know that is the only way the rights of any of us can ever be guaranteed and protected.

That is why I can keep on voting, and why my children will be able to vote, too, when they are old enough.

It may seem simple to say and hard to do, but it seems to me that as long as our government remains that way, we can have the chance to make progress; and if we don't make progress then we shall know that the people themselves kept on making mistakes.

We can blame only ourselves.

But that's what makes me feel best of all about it. We have the right and the chance and the freedom to go on trying to find better ways, ourselves, with our own brains.

We have the right to make mistakes, and while it may seem foolish to want to make mistakes, and generally we don't want to, it is, just the same, pretty good to know that we have the right to do even that, without having our heads go to a chopping block at the order of some all-

high who rules the whole roost. That's, as I see it, the best guarantee that we will try to be wise. But don't ever forget, the important thing is that we still have that right.

I live in this country where every man and woman has a "say" in things.

I know, and so do you, that we don't have what the books call a pure democracy.

It seems to me we have what they call representative democracy. We elect officials to do as near as they know how what we want them to do, or what they promise to do.

I think we get better performance by officials as the years go by.

But I always get back to the first thing; no official who goes haywire can ever get elected again, if we don't want to elect him. We do the voting, every so often.

All of the power, finally, is in the hands of the people. And I am one of the people.

I can stand up big, all by myself, and take a look at me and say, "You, Mr. Man, vote just as big as any other one person. You, multiplied by millions, run this big show, this United States of America."

I can go further than that, when I really get to thinking. I can say, "You, Mr. Man, do you know any way of running things that is anywhere near as good as that?" And I stand right there in my tracks and I yell back at me and I say, "No, you bet I don't, and neither does anybody else, and nobody else better ever come monkeying with our machinery, because me and the rest of us are going to keep right on running this show, this big, wide old United States of America."

I am an American citizen and I like it and just because I go on doing my work and living my quiet life, without yelling much at the rest of the world *is no sign that I'd stand for any outsiders breaking in to try to put anything else over on us.*

I like democracy. I like the chance to mark my ballot and pay my taxes and have public schools and raise hell with city officials and even with Congressmen and to write a letter to the President in which I say, "Mr. President, I think you're wrong," or maybe to say, "Mr. President, I think you're a great guy."

I like these things. No, I guess that's wrong; what I mean is I love 'em.

Man, and how!

Maybe I'll write you some more about my story and how I feel about these things some day when I have time to do it, but for now I hope you feel the same.

Report of the Indiana Gross Income Tax Division

THE GROSS INCOME TAX, now the third largest* source of public revenue in Indiana, was enacted by the State General Assembly in 1933 as the major part of a replacement program to alleviate the disproportionate tax burden of property owners, and to provide an adequate source of revenue to meet anticipated welfare costs and costs of Indiana's schools.

The general economic distress of 1932, plus a vast decrease in property valuations and legislation strictly limiting rates, threatened collapse of the school system and a general fiscal crisis. An assessed property valuation of \$5,166,896,-475 in 1929 had dwindled to \$3,994,597,946 in 1932, and property still bore more than 80 per cent. of the total tax burden. The state government faced a deficit of about \$7,000,000. The financial condition existing in the local units of government, which had depended almost entirely on property tax revenues for their support, were even more critical. Farmers and others whose wealth and income were founded largely in property were protesting vigorously and rightfully that they could no longer bear the heavy load of taxes they had borne in the past. The present gross income tax was enacted as a solution to those financial troubles.

The gross income tax is not a sales tax such as was enacted in many of the other states at about the same period, but is a tax based upon the gross receipts of all businesses and individuals. The rates, generally speaking, are 1 per cent. on gross receipts from sales made to the consumer (retail sales); one-fourth of 1 per cent. on gross receipts from wholesale sales, display advertising, and sub-contracts; and 1 per cent. on gross receipts from professional services, salaries or wages, sales of real estate, investment of capital and all other sources. Each person or corporation is allowed an exemption of \$1,000 a year; retail merchants, however, under amendments adopted by the 1937 Legislature, are permitted an exemption of \$3,000 on "receipts from selling at retail" as defined by the amended act. This exemption is not in addition to the regular exemption.

* Property tax is the largest and gasoline tax is the second largest, when both state and local revenue is considered. Considering state collections only, gasoline tax is first and gross income tax is second.

As a source of revenue, the gross income tax has proven to be entirely adequate. Gross income tax collections, by their very nature coupled closely with the general business, industry and income reverses or prosperity, have, with the exception of one year, risen steadily since 1933. During the eight months of 1933 that the gross income tax was in operation, collections totalled \$7,860,307.93; in 1934, \$13,220,-933.28; in 1935, \$16,012,773.69; in 1936, \$19,942,597.10; in 1937, \$22,958,724.08; in 1938, \$19,880,152.93; and in 1939, \$23,179,-713.66.

The effect of the gross income tax as a replacement measure is no less impressive. In every county in the state the property tax levies in 1939 for collection in 1940 were much lower than the levies in 1932, the last year prior to the enactment of the gross income tax. The total levy for 1940 was *\$34,756,360.00 less* than the levy for 1932.

Talk of "higher" property taxes is still heard, but a survey of the public record will show that property taxes in the six-year period 1925-1932 totalled \$1,078,307,800.03, and for the six-year period 1933-1940, \$789,417,371.47 — *a reduction of 288 million dollars*. The residents of Indiana are paying far less now in *both* gross income taxes and property taxes than they paid in property taxes *alone* prior to 1932. But there are a far greater number of people paying taxes. Today there are in excess of a half million people contributing to the support of government through the medium of the gross income tax. Many thousands of them never before contributed directly for the many services they received. There has been a shifting and broadening of the tax base.

Indiana's gross income tax is perhaps the broadest and most comprehensive tax in existence. Many tax experts believe this to be the law's strongest point—that is, by spreading the tax over a very wide base the rates may be kept low. The average rate under the gross income tax is about .7 of 1 per cent.

A new class of taxpayers was added but recently to the ranks of those paying gross income tax. The United States Supreme Court, by its decision on May 27, 1939, in the case of

James B. O'Keefe, a Home Owners' Loan Corporation attorney whom the State of New York sought to tax, wiped out the income tax immunity of Federal, state, county and municipal government and other public employees and placed Federal workers on the same basis as all other gross income taxpayers. In line with that ruling of the court, all employees of the departments and agencies of the Federal Government in Indiana were announced by the Division to be subject to the gross income tax on income received after January 1, 1939. It was estimated that about 12,000 Federal employees paid approximately \$250,000 in tax for 1939.

It should be pointed out also that non-residents who have income from Indiana are required to pay tax on the same basis as resident Hoosiers. Persons living in other states who are salaried employees in Indiana paid \$143,872.99 in gross income tax for 1939 under the withholding provisions of the Indiana Gross Income Tax Act.

Under provisions of the amended Gross Income Tax Act, Indiana employers of non-residents working in the state are required to withhold 1 per cent. tax from the salaries or wages paid for Indiana employment to such employees after they have received \$1,000, which is the exemption also permitted Indiana residents. This tax, which is withheld by the employers, is reported on special withholding forms by the employers and paid by the employers for the employees at the end of the year. The non-resident employees working in Indiana on whom the tax is withheld also file returns providing they have taxable income other than that on which the tax was withheld, and take credit for the amounts paid for them by their employers.

Last year there were 800 Indiana employers acting as withholding agents for 14,552 non-residents working in Indiana.

The amount of gross income tax paid by withholding agents is only a small portion of the total gross income tax paid by non-residents. The records of the Gross Income Tax Division show that out-of-state taxpayers pay each year nearly \$3,000,000 in gross income tax, which is nearly 12 per cent. of the total collections. "County 93," into which all non-resident taxpayers are grouped, pays more tax than any county in the state except Marion. But it should be noted also that while Marion County got back nearly \$3,000,000 in distributions from gross income tax funds for support of the local schools and welfare programs, "County 93" didn't get anything.

The greater part of the revenue from the gross income tax is returned to local school corporations on a basis of teaching units. A teaching unit is regarded as twenty-five high school pupils or thirty-five grade school pupils. In 1937, the state distributed \$500 a teaching unit or a total of approximately \$10,000,000, and in 1938 and 1939, \$700 a teaching unit, or a total of approximately \$14,000,000. The distribution of \$6,914,950 (a half-year's payment) to the teachers, which was made during January, 1940, brought the total of state support which has been given the local schools in the past six years to \$69,524,167.44. This figure represents approximately one-third of the total cost of operation of schools in Indiana during that period.

In addition to the money paid the teachers, the state has cooperated 100 per cent. (and without the imposition of any new taxes) in the Federal Public Welfare program by paying 30 per cent. of the cost of old-age pensions, 40 per cent. of the cost of caring for dependent children, and 50 per cent. of the cost of caring for the needy blind.

At the end of 1939, eighty-one of the ninety-two counties in the state showed total receipts of gross income tax distributions in excess of gross income tax collections. The remaining eleven counties which got back less than they paid in are those which have unusually large collections, principally because they include manufacturing centers and trading centers which draw upon other counties for a considerable portion of their taxable receipts.

The gross income tax is collected on the amount of business done whether the trade comes principally from within the limits of the city, township or county, or from the surrounding rural areas. The distributions from gross income tax funds to local units of government and to schools are made on the basis of need and the number of teaching units in the township or county. By assisting the less fortunate sections, the more populous centers protect themselves from the influx of people seeking the educational and welfare advantages who would move from the rural areas where state standards cannot be maintained by local wealth. The gross income tax and distribution plan is based on the proven concept that education and welfare problems go beyond the local units and are state-wide in scope. The gross income tax is not collected for "state house purposes." The state in a large sense is merely a collection agency for the local communities where the collections are spent under local direction.

Mountains of Evidence Against N L R B

But Whether Congress Will Amend the Act Still in Limbo

As we go to press, friends and foes of labor are squaring off, preparatory to a free-for-all fight on Capitol Hill at Washington over pending labor legislation.

One of the focal points of the tussle is the question of amending the Act which in 1935 established the National Labor Relations Board.

Universal criticism has been hurled at the board from all sides since its inception. Everyone seems to agree that the Act should be modified, but there is conspicuous lack of accord as to what changes should be adopted.

Startling NLRB practices have already been revealed through the current congressional investigation of the board. The inquiry has demonstrated beyond a plausible doubt the validity of charges that the board is unjustifiably biased in favor of the C. I. O.

The probe disclosed that administrators of the Act had indulged in promoting C. I. O. boycotts, had knowingly employed ardent C. I. O. sympathizers, had blacklisted employers as "guilty of unfair labor practices" before proving the allegations against them, and had illegally engaged in lobbying activities on behalf of the board.

The Investigating Committee, under the chairmanship of Representative Howard W. Smith, of Virginia, recently filed an intermediate report on its findings to date.

It cited numerous instances of mismanagement and charged the secretary to the board—Nathan Witt, who formerly worked in the Agriculture Adjustment Administration under Lee Pressman, now chief counsel to the C. I. O.—with "irregularities," "incompetency," "bias and partiality" and "failure to seek instructions." The secretary's office exerts a bottle-neck control over all cases coming up for hearings before the board.

Drastic recommendations have been submitted by the three-man majority of the Investigating Committee—Chairman Smith and Representatives Charles A. Halleck, of Indiana, and Harry N. Routhzohn, of Ohio, both Republicans.

Minority Report

A denunciatory minority report, signed by the two remaining committee members, Representa-

tives Arthur D. Healey, of Massachusetts, and Abe Murdock, of Utah, Democrats, followed close upon the heels of the majority's statement.

The minority recommended (1) the expansion of the three-man labor board to five members, "to bring a fresh viewpoint to the problems of the board" (a proposal long advocated by the A. F. of L.) and (2) a statutory requirement enabling employers to petition the board for employee elections "when they are caught between the cross-fire of rival Unions." The latter requirement makes mandatory a practice which the board was forced to adopt last July after bitterly opposing it for four years.

The amendments suggested by the committee majority are embodied in a bill introduced in Congress by Representative Smith. Suffice it to say that they served the anti-labor elements, striking destructively at the principles underlying the National Labor Relations Act.

Regarding collective bargaining, the Smith bill recommends that the board be relieved of certifying labor representatives whenever rival organizations are concerned—unless the competing Unions first *agree in writing* as to the unit appropriate for designation of representatives. Obviously, if one organization desires a craft unit and another an industrial or other unit, each can prevent the other from obtaining NLRB certification simply by filing counter-claims.

Elsewhere the bill slips in a provision that no employer he held guilty of unfair labor practice for refusal to bargain with his employees, *unless they have first obtained NLRB certification*. The bill would also redefine "collective bargaining," reducing it to the status of a mere interview with no offer of counter-proposals.

In addition to allowing employers to petition the NLRB to conduct elections among rival employee organizations, Smith would restore to employers free rein to publicly express their opinions concerning Union activities, "provided that such expressions of opinion are not accompanied by acts of coercion, intimidation, discrimination or threats thereof."

Another distasteful amendment would require that complaints against employers be issued within six months of alleged unfair labor prac-

tices. Further encouragement of recalcitrant employers rests in a clause that no more than six months' back pay might be ordered for any employee found to have been discharged for Union activities.

Extracts Teeth of Law

Proceeding further gently to extract the teeth of the law, the Smith bill, through a series of far-reaching amendments, strikes at the fundamental theory underlying our whole system of administrative law—the foundation of a hundred highly specialized quasi-judicial agencies through which our Federal Government operates.

Complaining that the NLRB performs its role of "judge, jury and prosecutor" without sufficient separation of administrative and judicial functions, the Smith group would open the entire NLRB proceedings to court review, inviting the courts to superimpose their own opinions for NLRB orders.

The Smith bill would require hearings to be conducted "in accordance with rules of evidence applicable in district courts" and that "a preponderance of testimony" be necessary to establish violation of the Act—provisions from which quasi-judicial agencies are traditionally exempt.

In addition the present labor board would be shorn of all its duties except judicial ones—holding hearings, supervising elections and issuing findings and orders. To perform all investigating and prosecuting functions, an administrator would be appointed by the President.

The initiation of all proceedings would be at his discretion; presumably he would sail close to the wind of incumbent politics.

The effect of these modifications is not readily discernible. But it is apparent that cases brought into court could be protracted indefinitely or thrown out upon slight technicalities.

Numerous other proposals for amending the Labor Relations Act have been offered in Congress in addition to the Smith bill. Of these, the most seriously considered is one sponsored by Representative Mary T. Norton, of New Jersey, chairman of the House Committee on Labor.

Like the Smith minority report, the Norton bill urges the provisions for the enlargement of the board to five members and the granting of employer petitions for employee elections. Beyond that it would require the board to recognize the validity of Union contracts with employers until expiration or for at least a year.

A mandatory proviso to protect craft organizations from encroachment by other Unions stipulates that "where a majority of a particular craft so decide, the board shall designate the craft as a unit for bargaining purposes."

The Norton bill has the full support of the A. F. of L. By contrast the C. I. O. has urged Congress to prohibit the board from "carving out" small craft units from established industrial units.



